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UPDATE ON IMPLEMENTATION PLAN TO ADDRESS THE RECOMMENDATIONS OF THE 2022 INSTITUTIONAL SAFEGUARDS REVIEW

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UPDATE ON IMPLEMENTATION PLAN TO ADDRESS THE RECOMMENDATIONS OF THE 2022 INSTITUTIONAL SAFEGUARDS REVIEW

EXECUTIVE SUMMARY

Following the conclusion of the Institutional Safeguards Review (ISR) in June 2022, a comprehensive Implementation Plan (IP) was developed drawing on the work undertaken by the Board's Steering Group, Management, and staff. The actions contained in the Board-endorsed IP form a comprehensive, mutually reinforcing package which aim 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 IP envisaged substantial progress on a majority of actions targeted for completion in CY2023, with some additional actions defined for implementation in CY2024. Substantial progress has been made in advancing the IP actions that were due to be completed in CY2023—with 85 percent of the actions having been completed or remaining on track for completion by end of CY2023. Efforts to complete a number of the pending IP actions and workstreams for CY2023 remain broadly on track as the ISR implementation approaches the completion of a full year following endorsement of the IP by the Board in December 2022.

Almost all of the recommendations to further protect and strengthen data analysis and integrity have been fully actioned through the issuance of specific guidance. These actions collectively seek to address the shortcomings and improvement opportunities identified in the report of the Working Group on Data and Analysis Integrity (WGDAI) and mitigate relevant enterprise risks—credibility risks (trust in the Fund's output), integrity risks (trust in terms of transparency and engagement), and objectivity risks (Fund's impartiality in terms of evenhandedness and accountability)—and further enhance analytical integrity. The effective adherence and operationalization of this guidance will be critical for success and implementation will need to be closely monitored by first-line departments and reinforced through institutional review/enforcement mechanisms.

Key IP actions—designed to demonstrate the Board and Management's commitment to upholding the highest standards of ethical conduct and transparency—are proceeding apace. The summary statement on the Board Ethics

Committee's activities was published for all staff for the first time in November 2022. A regular schedule of ethics training has been introduced for all OED personnel, with the first session delivered in Q1 of CY2023. The Executive Board has approved a proposal to provide all OED personnel access to the Fund's Ombuds and Mediation offices. Work is progressing on the review of the Board's Code of Conduct and the ethical framework applicable to the Managing Director, with final recommendations expected to be tabled for Board consideration in the first half of CY2024. The framework for the publication of summary financial statements and interests of the Managing Director and the Deputy Managing Directors has been finalized, with the first summary statements to be published on the Fund's external website by the close of CY2023.

Considerable progress has been made in implementing the comprehensive IP actions to build trust in and strengthen the Dispute Resolution System (DRS), Ethics, and Investigation Offices.

These actions, at their core, are designed to shift the focus towards prevention and early, informal resolution of disputes while at the same time streamlining processes and improving the formal DRS channels to ensure staff feel empowered to use and trust the system. Significant strides have been made in establishing a structured process of engagement between the DRS, Ethics, Investigation Offices, Management, and the Board. Greater access to the results of the work of the DRS Offices—a key recommendation from the ISR to promote culture change—has been achieved through: (i) a joint meeting between Management and the DRS, Ethics, and Investigation Offices; and (ii) a Management-chaired informal Board briefing to discuss the activities and respective Annual Reports of these Offices. The Executive Board, in June 2023, approved changes to the DRS Employment Framework—to bring the Fund's employment framework for these specialized roles into closer alignment with the majority of comparator IFI organizations. The implementation of the FY24 workforce planning exercise for the DRS, Ethics, and Investigation Offices resulted in a significant increase in structural budget and staffing for these Offices. The increased resourcing for DRS offices alongside the Board approval of the modifications to the DRS Employment Framework are designed to further enhance the ability of the DRS Offices to operate effectively. Policy proposals have been developed to implement changes to the Retaliation Policy and misconduct procedures which are reflected in recent Staff Handbook updates. The development of a Whistleblower Policy to provide further protection for staff is proceeding well and is expected to be finalized in Q1/Q2 of CY2024. Additional workstreams that were launched to develop proposals in specific areas—identifying root causes and drivers for culture change, streamlining Grievance Committee procedures, and strengthening the employee relations function in HRD—are also proceeding as planned.

Important steps have been taken to strengthen institutional accountability and oversight mechanisms. OIA's Charter has been amended to require the External Audit Committee (EAC) to approve OIA's annual Program of Work—this change is designed to respond to the ISR recommendation to further enhance OIA's independence and has also been implemented with the EAC formally approving OIA's FY24 Program of Work. Key building blocks to support Enterprise Risk Management (ERM) operationalization have been put in place with the Board approval of the ERM Policy in December 2022 and the Risk Tolerance (RT) framework in March 2023. ORM has also made

commendable progress in actioning the 2021 audit recommendations with a majority of the actions validated and closed by OIA.

As IP implementation approaches the completion of a full year, the focus will increasingly shift to mainstreaming and operationalizing the policy, process, and accountability changes.

The results of the 2022 Staff Engagement Survey (SES) provided a useful benchmark of staff sentiment on issues around staff voice and trust while also presenting additional datapoints to support continued strengthening of institutional culture. The monitoring framework for ISR implementation will continue to leverage a variety of mechanisms (targeted staff pulse surveys, risk culture surveys, OIA assessments of ISR progress) over time to gauge the impact of completed ISR actions in bolstering safeguards for data integrity and in shaping enhancements to the organizational culture. Fostering durable change in culture is a long-term endeavor and will require strong, visible messaging from Management and the Board, backed by action. In this regard, Management is committed to open and transparent information sharing on the ISR implementation journey with relevant information and resources being posted on the ISR intranet webpage - which also includes an "Action Tracker" that provides a current and full accounting of implementation status for each of the action items included in the IP.

In line with the institutional commitment to a rigorous and evidence-based validation to support execution of the IP, the Office of Internal Audit (OIA) will conduct an independent assessment of the ISR implementation in CY2024. This approach is consistent with the process already followed for Board-endorsed IEO recommendations through OIA's Periodic Monitoring Reports (PMRs).

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CONTENTS

Glossary	5
INTRODUCTION	6
IMPLEMENTATION PLAN—MONITORING FRAMEWORK	6
IMPLEMENTATION HIGHLIGHTS—DATA ANALYSIS & INTEGRITY	7
IMPLEMENTATION HIGHLIGHTS—LEADERSHIP/TONE FROM THE TOP	10
IMPLEMENTATION HIGHLIGHTS—BUILDING TRUST IN AND STRENGTHENING DRS, ETHICS, AND INVESTIGATION OFFICES	11
IMPLEMENTATION HIGHLIGHTS—OVERSIGHT AND ACCOUNTABILITY	14
IMPLEMENTATION STATUS OF WORKSTREAMS	16
NEXT STEPS	18
BOX	
1. Shared Principles Underpinning Terms of Engagement between OEDs and Fund Staff	8
TABLE	
1. Implementation Status of Workstreams	16
ANNEX	
I. ISR Action Tracker	20

Glossary

CAM	Committee on Administrative Matters
CoE	Categories of Employment
CRS	Common Review System
DRS	Dispute Resolution System
DRSA	Document Risk Self-Assessment
EAC	External Audit Committee
ERM	Enterprise Risk Management
GC	Grievance Committee
HRD	Human Resources Department
IDW	Integrated Digital Workplace
IEO	Independent Evaluation Office
IP	Implementation Plan
ISR	Institutional Safeguards Review
OCC	Organizational Culture Change
OED	Office of Executive Director
OIA	Office of Internal Audit
OII	Office of Internal Investigation
ISR	Institutional Safeguards Review
ORM	Office of Risk Management
PMRs	Periodic Monitoring Reports
PRW	Peers for a Respectful Workplace Program
RCSA	Risk and Control Self-Assessment
SAC	Staff Association Committee
SLC	Staff Legal Counsel
WGDAI	Working Group on Data Analysis and Integrity

INTRODUCTION

1. The Institutional Safeguards Review (ISR) was completed and discussed by the Executive Board in June 2022. It showed that the Fund generally had robust mechanisms in place to ensure a high standard of institutional governance and analytical integrity and that the Fund had a dispute resolution system comparable to the practices and procedures in other benchmarked organizations and provided multiple formal and informal mechanisms for employees to express their workplace concerns. At the same time, the Review found that there were areas where the data and analytical integrity frameworks at the Fund could be further bolstered and in which the smooth and effective functioning of the Fund’s system for internal disputes could be strengthened.

2. In response to the ISR recommendations, a comprehensive Implementation Plan (IP)—was developed drawing on the work undertaken by a Board Steering Group, Management, and staff. The IP, which was discussed and endorsed by the Board in December 2022—outlined a set of actions and policy changes that reflected the strong shared commitment of the Board and Management to a durable change in the institution and the highest standards of institutional governance. The goal of the IP—which contained a comprehensive, mutually reinforcing package of measures and policy changes—was to foster a culture where discourse and dissent are recognized as critical for 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 IP envisaged substantial progress on a majority of actions targeted for completion in CY2023, with some additional actions defined for implementation in CY2024.

3. This report follows the commitment made to provide the Board with an update on IP implementation progress by end of CY2023. The next section of the report provides an overview of the monitoring framework put in place to oversee the Implementation Plan. This is followed by specific sections describing implementation highlights for key organizing themes of the IP. The final sections provide an update on the implementation status of IP workstreams and planned next steps. The Annex to this report provides a full accounting of the progress and implementation status for each of the action items included in the IP.

IMPLEMENTATION PLAN—MONITORING FRAMEWORK

4. The IP, in addition to detailing the proposed actions, also set out responsibilities, timelines, and a framework for monitoring and supporting execution. The IP identified actions to be implemented which were grouped under the key themes of: (i) Data Analysis and Integrity; (ii) Leadership: Tone from the Top; (iii) Building Trust in and Strengthening DRS, Ethics, and Investigation Offices; and (iv) Oversight and Accountability. Reflecting the comprehensive nature of the IP, a large majority of the recommendations were supported for implementation (some with modifications), with a small subset of ISR recommendations for which there was insufficient support. A final category pertained to a set of recommendations for which additional consultations were

needed to formulate proposals—specific workstreams were constituted to resolve these outstanding issues and decide on the way forward. The workstreams, composition and timelines were also set out in the IP with responsibilities assigned to specific action owners and workstream leads¹. An ISR Program Lead was also appointed and tasked with the responsibility of coordinating IP implementation efforts, tracking and stewarding completion of individual actions, and supporting progress reporting to stakeholders.

5. To enable systematic monitoring of the IP, the various IP matrix and workstream related actions are being tracked through a consolidated “Action Tracker”. This permits a view of the IP by distinct actions (rather than by recommendations) and is aligned with the Management Implementation Plan (MIP) Board reporting practice—recognizing that one recommendation could require multiple actions or alternatively, one action could address multiple recommendations. The Action Tracker has also been used as the primary tool for periodic status update discussions with the task teams and action/workstream leads. The IP Action Tracker contains 70 in-train or planned actions which in turn has provided the basis for the preparation of this progress update.

6. Substantial progress has been made in advancing the IP actions that were due to be completed in CY2023—with 85 percent² of the actions having been completed or remaining on track for completion by end of CY2023. Implementation highlights are captured in the following sections.

IMPLEMENTATION HIGHLIGHTS—DATA ANALYSIS & INTEGRITY

7. While recognizing the strong frameworks and processes in place to protect the integrity of data and analysis, the Implementation Plan (IP) contained four recommendations for further strengthening data analysis and integrity. These recommendations—which were fully supported by the Board and Management—were to: (#1A) clarify and formalize the terms of engagement of OEDs in staff’s conduct of analysis; (#1B) explore effective mechanisms for staff to raise concerns about undue influence; (#2) clarify the role of Management in the internal clearance process; (#3) ensure evenhanded coverage of emerging areas; (#4A) improve the transparency and documentation of the internal review process and (#4B) assess how the review process has adapted to the rollout of the Common Review System (CRS) as part of the Integrated Digital Workplace (IDW) transformational program.

¹ It is important to note that most of the ISR implementation roles assigned to Fund staff (action owners, workstream leads, Program Lead) were meant to be additional responsibilities, supplementing their regular full-time roles in various Fund departments and offices. Implementation efforts were particularly resource-intensive for some departments such as HRD and LEG, given the significant concentration of IP actions and workstreams in these departments.

² This implementation rate is based on actions completed/on track out of the total population of actions defined for implementation by end of CY2023.

8. All of the recommendations to further protect and strengthen data analysis and integrity (with the exceptions of #1B and #4B³) have been fully actioned through the issuance of specific guidance.⁴ These actions (which are summarized below) collectively seek to address the improvement opportunities identified in the report of the Working Group on Data and Analysis Integrity (WGDAI). The effective adherence and operationalization of this guidance will be critical for success and implementation will need to be closely monitored by first-line departments and reinforced through institutional review/enforcement mechanisms.

9. In response to a central recommendation to clarify the terms of engagement between Offices of Executive Directors (OED) and staff, a joint note—incorporating guidance applicable to staff and the guidance applicable to OEDs—was issued in June 2023, with the staff guidance issued by Management and the relevant sections applicable to OEDs concurrently approved by the Executive Board. This internal note does not set new principles or change existing ones but rather clarifies terms of engagement for interactions between staff and OEDs, thus ensuring a shared understanding on both sides. The principles laid out in this note (Box 1) seek to clarify expectations and ensure the integrity of staff’s work while recognizing the benefits of OED engagement at various stages of the formulation of staff analyses, notably (but not exclusively) in the preparation and finalization of country reports and policy papers. The principles and guidance also strengthen the Fund’s institutional safeguards by providing greater clarity and protecting staff analysis from undue influence. They apply to all aspects of OEDs interactions with all Fund staff in whatever capacity and cover interactions in the field or at headquarters, in surveillance, lending, capacity development activities, pertaining to members inside and outside an OED’s constituency, and in Fund policies more generally, including corporate and support functions.

Box 1. Shared Principles Underpinning Terms of Engagement between OEDs and Fund Staff

- **Continuous and candid dialog:** Continuous and candid dialog between staff, OEDs, and national authorities at various stages of staff analysis is vital to the efficient and effective conduct of the Fund’s business.
- **Independence of staff technical analysis and policy advice:** Staff should pay due regard to OEDs’ and national authorities’ views, inputs, and arguments but must not be subjected to undue influence to alter their conclusions against their best professional judgment and relevant Fund rules and policies.
- **Mutual respect and professional courtesy:** Regardless of their role or position, all Fund personnel (OEDs, staff, and Management) are expected to conduct themselves with the highest standards of professional integrity and to treat others with professional courtesy and respect.

³ DAI #4b is not yet due for implementation (given ongoing implementation of the Common Review System).

⁴ On May 2, 2023, the ISR Board Steering Group was briefed about these guidelines.

10. The role of Management in the clearance of staff reports has been clarified through guidelines issued to staff with a view to further enhancing the transparency of the Management decision-making processes and also providing clearer expectations on the content and preparation of Memorandums to Management. The guidelines, which were issued in February 2023, clarify that Management’s role requires taking decisions on the basis of staff analysis and advice, while recognizing that Management has the prerogative to provide guidance on staff’s work and to exercise judgment on strategic issues within the framework of the Articles of Agreement and Board-approved policies. Management expects authoring and reviewing departments to bridge differences, including through dialog among staff, with a view to limiting Management arbitration to strategic issues. At the same time, disagreements and their resolution through Management arbitration are considered an important element of a healthy internal debate and dissemination, and, as such, departments should not be discouraged from seeking Management arbitration when they deem appropriate. The guidance also describes how Management decisions are communicated—in writing and with an explanation of the considerations that have motivated its decision, when resolving disagreements. To discharge its role effectively and evenhandedly, it is important for authoring departments to present: (i) a concise and objective summary of the issues requiring Management attention and decision; (ii) a candid presentation of issues raised in the review process; and (iii) a discussion of potentially controversial issues and the implications of Management’s decision options.

11. Interim guidance has been issued to staff on taking an evenhanded approach to surveillance of emerging priority areas, such as climate, digital money, gender, and to some extent inclusion issues. The note, issued to staff in April 2023, provides the latest operational guidance on these specific areas, consistent with the respective Board-approved strategies. Operational guidance will continue to evolve over time, recognizing that in-depth coverage of topics where the Fund is still building capacity can only be achieved over the medium-term for all members where the topics are macro-critical. Where capacity limitations impede the upfront in-depth coverage of any macro-critical topic, country teams should develop a plan to cover the issue in depth over the medium-term. The time horizon for coverage of emerging priorities should be consistent with their associated macroeconomic risks, with country teams required to balance coverage against other urgent priorities. Given resource constraints, it is expected that in the short-term, some countries will have had a deep dive analysis of a macro-critical area while some countries will have discussed these issues in a lighter way.

12. With a view to further strengthening the documentation and transparency of the interdepartmental review process, guidance has been issued that expands the perimeter of documents that use the e-Review system for interdepartmental review and Management clearance. In addition, work has commenced on designing and implementing a Common Review System (CRS) as a key response to the call for better documentation and transparency of the review process. The new review system will help enable a more comprehensive, transparent, auditable, and traceable review process, accommodating future changes in review policies. In this context, OIA is concluding its benchmarking exercise of the Fund’s review process that will inform the assessment of how the review process will adapt to the rollout of the CRS (#4B).

13. Work is progressing on strengthening the effectiveness of mechanisms for staff to raise concerns of undue influence and enhancements were made to enable greater transparency of the activities of the Board Ethics Committee. Specifically, the terms of reference of the Ombudsperson and the Office of Mediation were amended to make explicit their authority to help staff address concerns of undue influence and work is underway on the development of a Whistleblower Policy to provide further protection for staff raising such concerns through appropriate channels. All Fund personnel accordingly have access to the full range of informal dispute resolution mechanisms and the Ethics and Investigation⁵ offices to raise concerns about undue influence. Building on these enhancements, work is also underway to identify further opportunities and to leverage existing avenues (such as the Ethics Office) to help staff address concerns of undue influence. Finalization has been deliberately deferred to follow the work on Recommendation #1A (clarifying the terms of engagement between OED and staff), to permit the amendments of the Terms of Reference for the Ombudsperson and the Office of Mediation to be completed first, and also take on board other related developments such as the work to formulate a Whistleblower Policy. Finalization of the proposal is expected in Q1/Q2 of CY2024.

IMPLEMENTATION HIGHLIGHTS—LEADERSHIP/TONE FROM THE TOP

14. Key implementation actions – designed to demonstrate the Board and Management’s commitment to upholding the highest standards of ethical conduct and transparency and engagement on issues to support cultural change—have been completed or are progressing well. The summary statement on the Board Ethics Committee’s activities was published for all staff for the first time in November 2022. A regular schedule of ethics training has been introduced for all OED personnel, with the first session delivered in Q1 of CY2023. Work is proceeding apace on the review of the Board’s Code of Conduct and the ethical framework applicable to the Managing Director, with final recommendations expected to be tabled for Board consideration in the first half of CY2024. The Executive Board has also approved a proposal to provide all OED personnel access to the Fund’s Ombuds and Mediation offices. The framework for the publication of summary financial statements and interests of the Managing Director and the Deputy Managing Directors has been finalized. The first summary statements will be published on the Fund’s external website by the close of CY2023.

15. The Executive Board, following discussions by the Committee on Administrative Matters (CAM), approved in June 2023 a proposal to grant all OED personnel access to the Ombuds and Mediation offices on the same basis as Fund staff. This enables OED personnel to seek guidance and support on navigating difficult workplace situations in a voluntary, informal, and confidential setting. Considering the informal and entirely voluntary nature of the Ombuds and Mediation functions, the approval of this proposal to grant access to the two offices does not alter

⁵ The Office of Internal Investigations (OII) does not have jurisdiction over Offices of Executive Directors (OED) and their staff and hence raising concerns about undue influence would only apply for Fund staff/employees.

any provisions of the OED employment framework, including the discretion of Executive Directors with respect to the appointment and termination decisions regarding personnel. Additionally, the Managing Director continues to be authorized to make any amendments required to the ToRs of these offices as they pertain to staff, and the Board would be informed accordingly. The annual session to brief the Board, with Management and relevant Heads of DRS, Ethics, and Investigation Offices, as envisaged in the IP, has been and will continue to be leveraged to allow Executive Directors to ask questions on broad issues concerning OED matters.

16. The framework for the publication of summary financial statements and interests of the Managing Director and the Deputy Managing Directors has been finalized. Given its responsibility for addressing issues with respect to the application of standards of ethical conduct to the Managing Director, the Ethics Committee proposed, and the Board agreed, that current and future Managing Directors should be subject to the publication requirements that have been adopted by the Managing Director for the Deputy Managing Directors. Per the finalized framework, the first summary statements of the Managing Director and the Deputy Managing Director will be published on the Fund’s external website by the close of CY2023. The summaries would be posted on the Fund’s external website for the duration of the tenure of the Managing Director plus a further period of two years (six months for the Deputy Managing Directors) consistent with the “cooling off” period for the terms of appointment of the Managing Director/Deputy Managing Directors. Thereafter, the summaries would be removed from the Fund’s website but would be deemed a record of the Fund and would be treated as “other documentary material” under the Fund’s Open Archives Policy⁶.

IMPLEMENTATION HIGHLIGHTS—BUILDING TRUST IN AND STRENGTHENING DRS, ETHICS, AND INVESTIGATION OFFICES

17. Substantial progress has been made in implementing the set of comprehensive actions contained in the IP to build trust in and strengthening the DRS, Ethics, and Investigation Offices. These proposed actions were wide-ranging and designed to foster staff trust and confidence in the DRS system and to ensure effective protection of staff voice and consistent and fair application of the disciplinary and misconduct process without fear of reprisal. Accordingly, the IP actions encompassed measures to revise the employment framework for the DRS Offices, enhance the accessibility of the DRS channels and offices, improve transparency as to how cases are processed, enable greater access to information and outcomes, address delays by ensuring clearance of specific backlogs as appropriate (cases/annual reports), and review adequacy of resources, even within a resource-constrained environment. These actions, at their core, were designed to shift the focus towards prevention and early, informal resolution of disputes while at the

⁶ Under the Open Archives Policy (“OAP”), outside persons are given access to “other documentary material” maintained in the Fund’s archives that are over 20 years old, subject to the exceptions in the OAP.

same time streamlining and improving the formal DRS channels and ultimately foster a more efficient work environment.

18. Changes to the Employment Framework for the DRS, Ethics, and Investigation Offices—to bring the Fund’s employment framework for these specialized roles into greater alignment with the majority of comparator IFI organizations and other international institutions—were discussed and approved by the Executive Board in June 2023. The proposed changes comprise two components: (i) hiring of future heads of DRS, Ethics, and Investigation Offices (applicable only to the Ombuds, the Mediator, the Ethics Advisor, and Head, OII) on a staff term appointment (rather than a contractual appointment) with an initial term of three years and the possibility of one renewal for an additional period of six years (for a total period of nine years), and without the prospect of open-ended employment; (ii) following provision of additional FTE resources for such offices, eliminating the exemption for contractual employees in the DRS, Ethics, and Investigation Offices (including contractual employees in the Grievance Committee and the Administrative Tribunal) from the four-year maximum under the current Categories of Employment (CoE) framework—in order to allow for a balance of longer-term and temporary and rotational positions similar to other Departments in the Fund. These CoE changes were informed by a careful consideration of the institutional needs, with the aim of aligning with prevailing practices in comparator organizations and to treat employees in these offices consistently and in accordance with the principles that govern workforce planning and composition in all other Fund departments. Most importantly, these proposals considered the necessity of preserving and further strengthening the independence and impartiality of these offices and ensuring the application of appropriate safeguards that are tailored to the Fund’s organizational context and further engendering staff trust and confidence in the DRS, Ethics, and Investigation Offices. These changes, following Board approval, have been communicated to relevant staff in the DRS, Ethics, and Investigation Offices through townhalls and other briefings, and are being operationalized.

19. The completion and implementation of the workforce planning exercise for FY24 for the DRS, Ethics, and Investigation Offices is a critical adjunct to the CoE proposals for these Offices, in terms of augmenting the resourcing of these Offices and strengthening their organizational positioning and independence. While this action is distinct from the CoE proposals and responds to a different IP action by allocating staff and resources to the DRS Offices based on an objective and formalized workforce planning process, these measures together constitute a mutually reinforcing set of actions that significantly enhance the ability of the DRS Offices to operate effectively and independently. The DRS, Ethics, and Investigation Offices collectively received the largest structural percentage increase in the Fund (24.6 percent) for FY24 budget allocations and about 47 percent after including transitional funds. This builds on an overall 30 percent increase in DRS resourcing allocated to the Offices in FY23, with an overall upward shift in resources since FY2022 of about 80 percent.

20. Significant strides have been made in establishing a structured process of engagement between the DRS, Ethics, and Investigation Offices, Management, and the Board. Specifically, providing greater access to the results of the work of the DRS Offices—a key recommendation from

the ISR to promote culture change—was achieved through: (i) a joint meeting between Management and the DRS, Ethics and Investigation Offices; and (ii) a Management-chaired informal Board briefing to discuss the activities and respective Annual Reports of these Offices. The June 2023 Board briefing was convened to take stock of broader thematic issues that can be gleaned from the work of these Offices. This informal annual briefing was designed to respond to the spirit of the ISR recommendation—to engage in a continued dialog with the Executive Directors, including the need to ensure follow-up to identify systemic issues and cross-cutting trends from the work of these Offices. The Management and Board briefings on the activities of these Offices over the past year also highlighted some key forward-looking considerations: (i) help build the organizational muscle for staff to engage in open conversations and respectfully disagree, to step back to examine the underlying root causes, particularly at a time when caseloads are still increasing across the DRS mechanisms; (ii) focusing more on conflict prevention and in developing toolkits for staff and managers in terms of training and coaching programs (an area of focus for the Mediation Office); (iii) enabling lasting behavioral changes that will require concerted action from everyone and will entail change management efforts by the DRS Offices. Proactive communication by the DRS, Ethics, and Investigation Offices of the mandatory obligations of staff and managers—so that they are aware of their responsibilities and can leverage the necessary training, outreach, and attestation to effectively implement the changes—will be key.

21. Updates to the Staff Handbook have been completed—including adjustments to misconduct and disciplinary procedures and the Retaliation Policy—to support greater autonomy of relevant DRS Offices. These updates include several key changes in line with the ISR recommendations:

- Clarifying the duty of care to individuals reporting suspected retaliation—by requiring Managers and supervisors to report suspected misconduct to the Office of Internal Investigations (OII);
- Removing the requirement for OII to obtain authorization from the HRD Director or Management to initiate a formal investigation (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);
- Establishing OII as the centralized entry point of any misconduct allegation, such that OII can serve as the focal point to re-route for appropriate action; and
- Incorporating an express reference to proactive intervention by OII when the need for interim protective measures is identified—the proactive use of interim protective measures for complainants or witnesses of alleged retaliation will help protect users of the DRS, Ethics, and Investigation Offices against adverse action for using the system.

These revisions will be supported by targeted training for, among others, managers, Resident Representatives, and HR Teams, and will be incorporated into Ethics Office training programs, OII's outreach program and other communications initiatives.

22. Considerable progress has been made—through issuance of Annual Reports and other measures—in enabling greater and timelier access to the information available about the work and outcomes of the DRS, Ethics, and Investigation Offices. Delays in issuance of Annual Reports (prior to CY2022) have been remediated and Annual Reports for CY2022 have now been issued by the Ethics Office, Ombuds Office, Mediation Office, Office of Internal Investigations, the Administrative Review function, and the Grievance Committee. The Grievance Committee has also completed the publication of redacted copies of its recommendations (since 2018) to its intranet site. The OII Annual Report disclosures have been augmented to provide summaries of cases they have addressed as well as their outcomes—a central ISR recommendation for enhanced disclosures on disciplinary actions taken when allegations are substantiated—balanced to ensure their appropriate levels of confidentiality. Awareness-building activities about the work of DRS Offices are being undertaken regularly through Townhalls and “Open House” events, and with the most recent DRS Townhall convened in November 2023. Actions have also been 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 has rolled out a standardized online Administrative Review Intake Form as well as an Exit Questionnaire—this will aid case tracking and systematic follow-up.

IMPLEMENTATION HIGHLIGHTS—OVERSIGHT AND ACCOUNTABILITY

23. Important steps have been taken to strengthen institutional accountability and oversight mechanisms. These include measures to: (i) expand on safeguards to preserve the independence of the Office of Internal Audit (OIA); (ii) enable systematic monitoring of the remediation of open OIA and IEO recommendations; and (iii) advance the ongoing work to support the implementation of the “3 Lines” Model and strengthen the Fund’s Enterprise Risk Management (ERM) capabilities and processes.

24. OIA’s Charter has been amended to include, inter-alia, an additional step requiring the External Audit Committee (EAC) to approve OIA’s annual Program of Work. This change is specifically designed to respond to the ISR recommendation to enhance OIA’s independence and has been already implemented in practice with the EAC formally approving OIA’s FY24 Program of Work. This modification also supports alignment with practices in other comparator organizations where the Audit Committee approves the annual work program of the internal audit function. In response to another related recommendation to address OIA’s capacity constraints, OIA has secured increases in its structural budget envelope in FY2023 and additional transitional resources in FY2024. The annual budget cycle and accountability framework discussion with Management will continue to be the mechanism for evaluating OIA’s resource adequacy on an ongoing basis. Furthermore, the OIA Director can continue to flag issues related to the adequacy of OIA’s resources to the External Audit Committee, if warranted, after exhausting internal procedures.

25. Steady progress has been made in strengthening monitoring of timely implementation of OIA and IEO recommendations. During FY2023, OIA completed its triage exercise to help departments gain an accurate view of their open audit issues, and to further facilitate departments' risk mitigation efforts. The triage initiative, which was endorsed by the Fund Risk Committee and the External Audit Committee, yielded positive outcomes in terms of enabling a concerted effort to support closure of overdue audit actions. Since the start of the exercise, HRD, ITD, and CSF have made significant progress in closing overdue actions. As part of this exercise, OIA also worked closely with departments to identify potential reasons that have impeded timely implementation of remedial actions. Primary reasons included: (i) competing work priorities within a resource-constrained environment, particularly in the context of the pandemic and the Fund's crisis response focus; and (ii) operational/implementation challenges. Departments have provided revised target dates for implementing action plans for overdue audit issues and there is a firm departmental commitment to address the open audit issues and proactively review progress. OIA will continue supporting departments in their risk mitigation efforts including through improved departmental partnership through the nomination of departmental key contacts and issuance of guidance regarding the expectations for receiving formal action plans and revisions to target implementation dates. With regard to monitoring and reporting of IEO recommendations, OIA's Thirteenth Periodic Monitoring Report (PMR) was discussed with the Board in November 2023.

26. Key building blocks to support ERM operationalization have been put in place with the Board approval of the ERM Policy in December 2022 and the Risk Tolerance (RT) framework in March 2023. The Board-approved ERM Policy states that all activities of the Fund are within the scope of the ERM framework spanning core functions of surveillance, lending, and CD, as well as administrative and support functions. The ERM Policy also indicates strengthening the role of ORM to provide an "independent view and challenge" of the enterprise risk management work and reporting by Departments. To date, such work by Departments includes Risk and Control Self Assessments (RCSAs), Document Risk Self Assessments (DRSAs), Risk Event Reporting, Risk Treatments, and adhering to the new Risk Tolerance framework. Departments have made some progress on pilot RCSAs of core business processes, with most having completed at least one such assessment. CSF has also implemented a thorough third-party risk assessment during the procurement process and is making progress towards a comprehensive Third-Party Risk Management (TPRM) process that will enable monitoring of third-party risks throughout the life of a vendor's engagement. Some DRSAs of key policy, strategy, administrative and country papers, have been prepared. ORM has also made commendable progress in actioning the 2021 audit recommendations with a majority of the actions validated and closed by OIA. As work proceeds in advancing the Fund's ERM capabilities and processes, the Board will be briefed or informed on specific areas (Risk Tolerance Dashboard, Experience with ERM Implementation—Initial Stocktake and Way Forward, Annual Fund Risk Report) through upcoming formal and informal engagement checkpoints.

IMPLEMENTATION STATUS OF WORKSTREAMS

27. The IP also envisaged workstreams for ongoing consultation to reach consensus or to better define the modalities and content of responses to certain ISR recommendations. A total of nine workstreams were identified; prioritization of this work was deemed critical given staff workload and bandwidth issues and the complexity of these outputs. Accordingly, six of these workstreams were prioritized for implementation in CY2023, with two others scheduled to be taken up in CY2024⁷. Of the six workstreams scheduled for CY2023, work has concluded for modifications to the DRS employment framework (see paragraph 18) and significant progress has been made in advancing all of the remaining workstreams planned for CY2023 (see Table 1). Budget implications of these proposals have been addressed in part in FY2024, with consideration of additional needs in the context of the FY2025 budget cycle underway and future budget cycles.

Table 1. Implementation Status of Workstreams

#	Workstream	Stakeholders	Implementation Status
1	Board Ethics Committee—Review of the Board Code of Conduct (EP#1)	Ethics Committee	Following extensive benchmarking and consultations, a comprehensive report of the review of the Board Code of Conduct and the Managing Director’ ethical framework is near finalization. Following engagement with the Ethics Committee, recommendations are expected to be tabled for Board consideration in the first half of CY2024.
2	Task team on culture change to identify targeted adjustments to existing programs and outreach to support objectives of the Review (EP#30)	HRD, COM	An Organizational Culture Change (OCC) Task Team, comprised of staff from HRD, OIC, the Ethics Office, and the SAC commenced work in February 2023. Focus group sessions with staff have been completed with the findings well aligned with the thrust of the ISR recommendations. A draft proposal is under review and a formal proposal to Management is expected to be tabled in December 2023, and considered as part of the FY25 budget discussions.

⁷ These are (i) Admin Review reforms; and (ii) DRS procedures for contractual employees. One additional workstream – to explore IT options for Real-Time Case Tracker – is now deemed no longer necessary (see #34 in Annex).

Table 1. Implementation Status of Workstreams (concluded)

3	Task Team to develop proposals to improve the Grievance Committee process (EP#39)	Grievance Committee Chair, HRD, LEG and SAC	Benchmarking with comparator organizations has been completed. Possible approaches to redesign the GC process are being explored in terms of relative merits and implications of each of the options. A draft memorandum to Management—summarizing the options for consultation with key stakeholders and management—has been issued in November 2023. Completion of this workstream will extend into the first half of CY2024 given the complexity of the work and the need for extensive stakeholder consultations.
4	HRD proposal to restructure HRD Employment Practices and handling of employee relations matters (EP#32)	HRD	A draft proposal has been formulated, informed by a benchmarking of practices in comparator organizations. The proposal is expected to be finalized in Q1 of CY2024 and considered as part of the FY25 budget discussions.
5	Task team to develop a Whistleblower Policy EP#8 (iv)	OII, LEG, HRD, ETO and SAC	Staff who raise ethical issues and concerns are protected from adverse action and such protections are embedded in the Fund’s existing rules, including the Retaliation Policy and the Integrity Hotline Policy. The ISR recommendation to develop a standalone Whistleblower Policy is intended to serve as an important signal from Management to staff about the protections available. The new policy—which is expected to be finalized in Q1/Q2 of CY2024—will define relevant terms, delineate specific responsibilities of institutional actors, and codify the protections afforded to whistleblowers and the circumstances under which such protections will be provided. It will also ensure a forward leaning and proactive posture on the part of the IMF to protect staff, thus aligning with its international counterparts, increasing staff trust in the IMF, and contributing to changing the culture and tone at the top, as envisaged by the ISR.

NEXT STEPS

28. Implementation efforts have been particularly resource-intensive for a couple of departments (HRD, LEG) that are responsible for leading several ISR actions and workstreams.

This will continue to be the case in CY2024 and will entail significant prioritization of the pending ISR actions given intense competing work pressures. In this context, some of the planned actions/workstreams for CY2024 are being deliberately reprioritized (or dropped where warranted)—in light of the findings from the detailed implementation work completed to date and the likely need for optimal sequencing given interlinkages amongst actions being pursued under the various workstreams—and also considering impact, staff workload and bandwidth. Three specific ISR actions (EP#10B, 10#C, 10#D) – covering: (i) creation of a toolkit for self-represented employees; (ii) requiring a “real-time” case tracker; and (iii) posting additional information sharing on the DRS webpage - are no longer deemed necessary given work already completed/underway, and no further action is envisaged for these recommendations. Adjustments to estimated timelines to reflect de-prioritization of a small number of the planned CY2024 deliverables have been reflected in the Annex—staff will continue to refine these estimates as ISR implementation work continues in CY2024.

29. Mainstreaming and operationalizing the policy, process, and accountability changes - introduced by the IP actions—will be fundamental to shaping improvements in organizational culture.

As the Board and Management indicated in their June 2022 joint statement upon the conclusion of the ISR Review, “the institutional safeguards review process does not end with the publication of these reports” and that “taking concrete actions in a timely, well-sequenced manner to ensure that the best possible frameworks, processes, and culture are in place at the IMF” will be key. In this spirit, Management is committed to open and transparent information sharing on the ISR implementation journey, recognizing that fostering durable change in culture is a long-term endeavor. As implementation moves into CY2024, in addition to completing the remaining ISR actions, the focus will increasingly shift to mainstreaming and operationalizing the policy, process, and accountability changes introduced by the various IP actions. The results of the 2022 Staff Engagement Survey (SES) provided a useful benchmark of staff sentiment on issues around staff voice and trust while also presenting additional datapoints to support continued strengthening of institutional culture. The monitoring framework for ISR implementation will continue to leverage a variety of mechanisms (targeted staff pulse surveys, risk culture surveys, OIA reviews) over time to gauge the impact of fully completed ISR actions in bolstering safeguards for data integrity and in shaping enhancements to the organizational culture. Fostering durable change in culture is a long-term endeavor and will require strong, visible messaging from Management and the Board, backed by action. In this regard, Management is committed to open and transparent information sharing on the ISR implementation journey with relevant information and resources being posted on the ISR intranet webpage - which also includes an “Action Tracker” that provides a current and full accounting of implementation status for each of the action items included in the IP.

30. In line with the institutional commitment to instituting a rigorous and evidence-based validation to support execution of the IP, the Office of Internal Audit (OIA) will conduct an

independent follow-up of the ISR implementation in CY2024. The OIA assessment will provide an independent and objective opinion on the completed actions and will also report on the workstreams and actions that are in-train so that any implementation concerns can be flagged for resolution. Given the timing of the OIA assessment – which is likely to commence in the first half of CY2024 – it is envisaged that future ISR implementation updates to the Board will leverage the independent annual progress reporting by OIA (in lieu of staff updates). 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).

Annex I. ISR Action Tracker

[Covering IP Actions Supported for Implementation/Workstreams Requiring Further Consultation]

No	IP Ref	Recommendation	Category	Implementation Update	Timeline	Status
1	DAI 1	Clarify the terms of engagement of OED with staff in staff's conduct of analysis.	Support	Joint note - clarifying the terms of engagement of OED with staff in staff's conduct of analysis— was issued in June 2023. The note incorporates guidance applicable to staff and the guidance applicable to OEDs, with the staff guidance issued by Management and the relevant sections applicable to OEDs concurrently approved by the Executive Board.	CY2023 Q1/Q2	Completed
2		Explore effective mechanisms to raise concerns by staff about undue influence.	Support	Finalization of this work has been deliberately deferred to follow the work on Recommendation #1a (clarifying the terms of engagement between OED and staff) and to permit the amendments of the Terms of Reference for the Ombudsperson and the Office of Mediation to be completed first. The proposal is expected to be finalized in Q1/Q2 of CY2024.	CY2023 Q1/Q2	Delayed Revised target date—Q1/Q2 of CY2024
3	DAI 2	Clarify the role of management in the clearance of staff papers and positions.	Support	Guidelines were issued in February 2023—which clarify that Management's role requires taking decisions on the basis of staff analysis and advice, while recognizing that Management has the prerogative to provide guidance on staff's work and to exercise judgment on strategic issues within the framework of the Articles of Agreement and Board-approved policies.	CY2023 Q1	Completed

4	DAI 3	Complete ongoing work to help ensure evenhanded coverage of emerging areas in surveillance.	Support	Interim guidance note, issued to staff in April 2023, provides the latest operational guidance on these specific areas, consistent with the respective Board-approved strategies.	CY2023 Q1	Completed
5	DAI 4A	Further strengthen the transparency and documentation of internal review process.	Support	Guidance has been issued that expands the perimeter of documents that use the e-Review system for interdepartmental review and Management clearance.	CY2023 Q1	Completed
6	DAI 4B	Assess adaption of review process after the roll-out of the Common Review System (CRS) as part of the Integrated Digital Workplace (IDW) Program.	Support	Work has commenced on designing and implementing a common review system as a key response to the call for better documentation and transparency of the review process. OIA is concluding a benchmarking exercise of the Fund's review process that will inform the implementation approach of the CRS.	After rollout of IDW	Action not due
7	EP1	Ethics Committee (and the Board) to complete a full review of the Board's Code of Conduct.	Support	Following extensive benchmarking and consultations, a comprehensive report of the review of the Board Code of Conduct and the Managing Director's ethical framework is near finalization which will provide the basis for further discussions with the Ethics Committee. Following engagement with the Ethics Committee, recommendations will be tabled for Board consideration and approval. Given the complexity and scope of the review, it is expected that final proposals will be tabled for Board consideration in the first half of CY2024.	CY2023 Q2/Q3	Delayed Revised target date -Q1/Q2 of CY2024
8		Ethics Committee (and the Board) to review the ethical framework applicable to the Managing Director.	Support	See No. 7 above; the review of the ethical framework applicable to the Managing Director is combined with the review of the Board Code of Conduct and follows the same timeline.	CY2023 Q2/Q3	Delayed Revised target date - Q1/Q2 of CY2024

9	EP2	Review framework for publication of summary financial interests of Fund Management.	Support	The framework for the publication of summary financial statements and interests of the Managing Director and the Deputy Managing Directors has been finalized. The first summary statements will be published on the Fund's external website by the close of CY2023.	CY2023 Q2/Q3	Substantially completed; summary statements to be published in Q4 of CY2023.
10	EP3A	Enable OED access to informal DRS mechanisms.	Support	The Executive Board, approved in June 2023, a proposal to grant all OED personnel access to the Ombuds and Mediation offices on the same basis as Fund staff—this enables OED personnel to seek guidance and support in navigating difficult workplace situations in a voluntary, informal, and confidential setting.	CY2023 Q2	Completed
11	EP3B	Enable OED Access to Formal DRS.	Requires further consultation	The Board's Committee on Administrative Matters (CAM) to consider the broader issue of access to formal dispute resolution system at a later time based on the experiences gained from granting OED personnel access to the informal dispute resolution offices.	Revisit end-CY2024	Action not due
12	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	Considering that the Board has endorsed a full review of the Board's Code of Conduct under the leadership of the Board's Ethics Committee, it is proposed that this question be further considered in that context and informed by the results of that broader review.	Revisit after review of Board's Code of Conduct	Action not due
13	EP6	Management and the Board should lead culture change efforts across the Fund with strong, visible messaging backed by action.	Support	A townhall was held in February 2023, with Management delivering opening remarks; the townhall provided an update on IP progress and emphasized the importance of the various in-progress IP actions to support durable culture change in the institution. A FUNDALL update by	From CY22 Q4 onwards	Ongoing

				Management on ISR Progress was provided in June 2023, followed by the convening of a SAC-facilitated DRS Townhall in November 2023 which also included progress updates on ISR implementation.		
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>HRD and LEG, as Management’s advisors in the review of disciplinary cases and determination of sanctions to be imposed, regularly liaise to ensure that penalties imposed on staff and contractual employees are consistent and continue to do so.</p> <p>OII Annual Reports for 2021 and 2022—issued in May 2023—included additional information about cases that have been investigated by OII, 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>	Ongoing	Ongoing
15	EP8(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	The decision as to whether a failure of an employee—to appropriately document his/her decision or meet the obligations conferred by the Retaliation policy but acted in good faith—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).	Ongoing	Ongoing
16	EP8(iii)	Update Retaliation Policy to require investigation of misconduct where it is concluded that retaliation has occurred.	Support	Necessary updates to Retaliation Policy incorporated in Staff Handbook updates and published in June 2023.	CY2023 Q1/Q2	Completed

17	EP8(iv)	Update Retaliation Policy to provide for advice and early informal resolution for those who fear retaliation.	Support	Necessary updates to Retaliation Policy incorporated in Staff Handbook updates and published in June 2023.	CY2023 Q1/Q2	Completed
18		Conduct 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.	Support	A number of events have been regularly conducted to raise awareness. These include: (i) DRS Open House/awareness-raising event held in December 2022; (ii) "Meet your Ombudsperson"; "Ask me Anything with the Ethics Office" (on staff responsibilities as International Civil Servants"; (iii) "Insider" video with the Head of Office of Internal Investigation (OII); (iv) Mandatory Ethics Course for Fund staff including in-person sessions for Departments and training sessions for Heads of Department; (v) SAC-convened DRS Townhall in November 2023 covered the roles/mandates of the DRS, Ethics, and Investigation Offices and used a case study to demonstrate in a practical way how these Offices could be leveraged by staff.	CY2023 Q1/Q2	Completed
19		Conduct formal Townhall with DRS office Heads, Ethics Office, OII, as well as with SAC on Activities/Annual Reports of DRS Offices.	Support	DRS/ISR townhall (under the auspices of SAC) delivered in November 2023.	CY2023 Q1/Q2	Completed
20		Continue ongoing communications and outreach initiatives.	Support	As also outlined in the Action Items #13 and 18 above, this is an ongoing effort. A Fund-wide Townhall was ISR held in February 2023 and a Fund-all communication on ISR progress was issued to staff in July. The ISR page has been updated with relevant resources and recent documents and has been disseminated as part of the FUNDALL message. The IP "Action Tracker" is	Ongoing	Ongoing

				also available on the ISR page, for Fund-wide access.		
21		Develop stand-alone Whistleblower Policy.	Requires further consultation	Work is advanced and a preliminary draft of the Policy, informed by benchmarking of practices in comparator organizations, is being discussed with relevant stakeholders. The proposal - which is expected to be finalized in Q1/Q2 of CY2024—will define relevant terms, delineate specific responsibilities of institutional actors, and codify the protections afforded to whistleblowers and the circumstances under which such protections will be provided.	CY2023 Q4	Delayed given the need for extensive stakeholder consultations and also due to impending leadership transition in OII. Revised target date- Q1/Q2 of CY2024.
22	EP8(v)	Update Retaliation Policy to include affirmative supervisory responsibility to report misconduct.	Support	Necessary updates to Retaliation Policy incorporated in Staff Handbook updates and published in June 2023.	CY2023 Q1/Q2	Completed
23		Identify and adjust Management training programs (for Managers/Supervisors on how to avoid behaviors that could amount to retaliation).	Support	This action is being addressed by the workstream on culture change (EP#30).	CY2023 Q4	On track for completion
24	EP8(vi)	Update Retaliation Policy for OII 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.	Support	Necessary updates to Retaliation Policy incorporated in Staff Handbook updates and published in June 2023.	CY2023 Q1/Q2	Completed
25	EP8(vii)	Extend the period for access to Independent Review (IR) to three years.	Requires further consultation	Being considered as part of the work on developing a Whistleblower Policy.	CY2023 Q4	Delayed given the delay in the workstream for

						finalization of Whistleblower Policy. Revised target date- Q1/Q2 of CY2024.
26	EP8(viii)	Staff Engagement Survey (SES) to include questions on trust, speak-up culture, and retaliation and to set a baseline.	Support	SES sent out to staff included relevant questions and will serve to establish a baseline which will provide the basis for comparison in follow-up surveys.	CY2023 Q1	Completed
27		Follow-up Pulse Surveys to the SES to measure progress on these issues.	Support	Follow-up surveys on specific aspects to be administered after 2 years of the SES.	End-CY2024	Action Not Due
28	EP8(ix)	Amend TORs of Mediator and Ombudsperson to explicitly consider allegations of undue influence.	Support	ToRs of Ombuds and Mediation Office have been amended – to explicitly consider allegations of undue influence - and were approved by Management in July 2023.	CY2022 Q4	Completed
29	EP9A	Share with staff high-level information about the number and nature of matters considered by Ethics Committee at the end of each Committee's Term.	Support	First Summary Report issued in CY 22 Q4.	CY2022 Q4	Completed. Report to be issued at the end of each Ethics Committee's term going forward.
30		Require systematic training on Board Code of Conduct for new OED Staff at the beginning of each term and on an annual basis.	Support	A regular schedule of ethics training has been introduced for all OED personnel, with the first session delivered in Q1 of CY2023.	Ongoing	Ongoing

31	EP9B	Resume Publication of Information on Administrative and Grievance Committee Process.	Support	Grievance Committee Annual Reports (for 2022, 2021 and 2020) published; Publication of redacted copies of GC recommendations has also been completed. Annual Reports for Admin Reviews published for 2019/2020/2021/2022.	CY2022 Q4- CY2023 Q4	Completed
32	EP10A	All DRS Information to be updated centrally on DRS Intranet Page.	Support	The DRS webpage continues to be updated on an ongoing basis with recent updates and information notices.	Ongoing	Ongoing
33	EP10B	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.	Support	This work is not deemed to be a priority, especially given the planned work to engage a Staff Legal Counsel (EP35) who would develop guidance materials to assist staff, as part of their Terms of Reference.	CY2024 Q2/3	No further action is envisaged.
34	EP10C	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	It has been determined that there is no need for an expansive technology solution or real-time case-tracker. Given work already completed (dissemination of Annual Reports and greater access to the work of the DRS, Ethics, and Investigation Offices and Administrative Review online submission portal) and work that is planned (streamlining processes for Admin Review and GC), there is general consensus that	CY2024 Q3	No further action is envisaged.

		monitor the progress and to view the status update of their case.		the need for additional case management or technology solutions is not a priority and that the Offices can continue to leverage their existing internal tracking mechanisms and tools.		
35	EP10D	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 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	As indicated in the original IP, information on the nature of cases and their outcomes is already made available on the respective intranet pages of the DRS offices. An efficient approach to such a page could be for it to draw upon the non-confidential information contained in the respective internal tracking mechanisms of the DRS, Ethics, and Investigation offices and reports of the DRS Offices.	CY2025	No further action is envisaged.
36	EP11	The Fund should implement the changes made to the DRS employment framework in early 2021 to allow DRS leaders and employees to elect to be converted to staff positions with	Requires further consultation	The Executive Board, in June 2023, approved changes to the DRS Employment Framework—to bring the Fund’s employment framework for these specialized roles into closer alignment with the majority of comparator IFI organizations.	CY2023 Q3	Completed

		full benefits for the remainder of their terms of employment.				
37	EP12	OII should not require authorization from Management or HRD before investigating cases.	Support	Necessary changes incorporated in Staff Handbook Updates published in end-June 2023.	CY2023 Q1/Q2	Completed
38	EP13	Investigations of allegations of misconduct should be centralized and conducted by OII only-not by the Departments within the Fund.	Support	OII is now established as the centralized entry point for any misconduct allegation and necessary changes have been incorporated in the Staff Handbook.	CY2023 Q1/Q2	Completed
39	EP14	Convene joint meetings between DRS & Ethics and Integrity Offices to discuss Annual Reports with Management and Board.	Support	A joint meeting—between Management and the DRS, Ethics, and Investigation Offices—was held in June 2023 to discuss the Annual Reports of these Offices and the main themes from their work.	CY2023 Q1/Q2	Completed
40		Brief the board annually on the activities of DRS offices.	Support	Management-led Board briefing held in June 2023 to engage in a continued dialog with the Executive Directors, including the need to ensure follow-up to identify systemic issues and cross-cutting trends from the work of these Offices.	CY2023 Q1/Q2	Completed
41	EP15A	To enhance OIA's independence, introduce an additional step whereby the EAC would approve OIA's Program of Work.	Support	OIA's Charter has been amended to require the External Audit Committee (EAC) to approve OIA's annual Program of Work. This change has been implemented with the EAC formally approving OIA's FY24 Program of Work.	CY2023 Q1/Q2	Completed
42	EP16A	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	Support	Key building blocks to support ERM operationalization have been put in place with the Board approval of the ERM Policy in December 2022 and the Risk Tolerance (RT) framework in March 2023. ORM has also made commendable progress in actioning the 2021	CY2024 Q1/Q2	On track for completion

		(ERM) Framework published in 2021.		audit recommendations with a majority of the actions validated and closed by OIA.		
43	EP16B	The Fund should evaluate how to solve OIA's capacity constraints.	Support	OIA has secured increases in its structural budget envelope for FY23 and additional transition resources for FY24. The annual budget cycle and accountability framework discussions will remain the forum for evaluating 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, after exhausting internal procedures.	Ongoing	Completed
44	EP16C	The Fund should better monitor timely implementation of OIA's and IEO's recommendations.	Support	OIA completed its triage exercise to help departments gain an accurate view of their open audit issues, and to further facilitate departments' risk mitigation efforts. With regard to monitoring and reporting of IEO recommendations, the implementation status is routinely validated and reported by OIA through its Periodic Monitoring Reports (PMRs). OIA's Thirteenth PMR is scheduled to be discussed by the Board in November 2023.	Ongoing	Ongoing
45	EP17	The Fund should initiate efforts to streamline and improve the Grievance Committee process.	Support	The implementation of this action is also linked to actions to address EP39 to make the Grievance Committee (GC) process more efficient and less formal. Please see updates on EP39.	CY2023 Q4	On track for completion
46	EP18	Impose appropriate and consistent sanctions for substantiated misconduct.	Support	The implementation of this action is covered by the response to EP 7—OII Annual Reports now provide more substantive summaries of cases the Office has addressed as well as their outcomes.	Ongoing	Ongoing

47	EP19	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	This is an ongoing effort and the messaging with regard to the institutional stance against retaliation will continue to be stressed by the members of the Fund Management team and backed by actions.	Ongoing	Ongoing
48		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 has been addressed through the actions to address EP 7 (through regular anonymized reporting in cases of unethical conduct and consequences for the wrongdoer).	Ongoing	Ongoing
49	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 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.	Support	As outlined in the IP, "Tone from the top" is crucial here. The Managing Director and Deputy Managing Directors will continue to 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.	Ongoing	Ongoing
50	EP21	To increase trust in the Fund, both internally from staff and externally from the public, it is critical that the Executive Board supports efforts to create greater	Support	This is being addressed through the work undertaken by the Steering Group and the Board to clarify the terms of engagement between staff and the Board, in order to share the best practice and protect against undue influence (DAI 1) and	CY2023 Q1/Q2	Partially completed. Review of Board Code of Conduct planned to be

		internal consensus and more detailed policies that are used to resolve these concerns when they arise. The Ethics Adviser and Ombudsperson should engage in roundtable dialogues on these matters.		through the comprehensive review of the Board Code of Conduct (EP1) which is now expected to be finalized in Q1/Q2 of CY 2024.		completed in Q1/Q2 of CY2024.
51	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.	Support	This is being addressed through the initiative to share greater information about the work of the Ethics Committee which will in turn increase transparency (See EP 9).	Ongoing	Completed
52	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 provides an opportunity for the Board to make progress on this recommendation (See EP 1.)	Ongoing	Planned for completion in Q1/Q2 of CY2024.
53	EP24A	Complainants should not be required to be re-assigned or to take a different position if they do not desire that action. Instead, if allegations of harassment,	Support	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 8 (vi).	Ongoing	Completed

		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.		The work on developing a whistleblower policy—see EP 8(iv)—will also serve to codify the protections for whistleblowers, including that they should not be required to be reassigned.		Planned for completion in Q2 of CY2024
54	EP24B	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.	Support	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.	Ongoing	Ongoing
55	EP25	Staff who work as peer reviewers/witnesses/GC members to record contributions in APR and to receive positive acknowledgement.	Support	Briefing notes and annual guidance materials for the 2023 APR cycle were suitably updated. SHRPs further reinforced this message in their outreach and presentations to Departments as part of the FY23 ATME process. This will be a continuing effort as part of the annual APR/ATME cycle.	CY2023 Q2	Completed
56	EP26	The Fund should reduce litigiousness by creating accountability measures for HRD and LEG and managers for use in performance reviews and	Support	As noted in the IP, 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	Ongoing	Ongoing

		promotion decisions. Missed timelines should be reflected on individual performance reviews of the responsible parties.		responsibility, or unanticipated challenges such as exceptionally high workload or sick leave), this is reflected in performance reviews, which are in turn considered in promotion decisions.		
57	EP27 & 28	Supervisors should engage in collaborative problem-solving and dialogue on difficult issues such as data analysis and integrity and should discuss difficult topics on an ongoing basis with the goal of building shared expectations to avoid and manage conflicts productively. Employees should also not wait to be rescued from above and should initiate or request collaborative conversations around organizational culture in the team.	Support	This is being addressed through Departmental initiatives 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. This is also being tackled by the work stream on Organizational Culture Change (OCC) in response to EP 30 (to undertake stock take of programs to determine how to strengthen support to supervisors and managers).	Ongoing	Ongoing
58	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, Peers for a Respectful Workplace and other functions.	Support	This is being addressed through a "Giving Voice to Values" campaign and other communication and outreach efforts as part of the workstream on Organizational Culture Change (OCC) in response to EP 30.	Ongoing	Ongoing

59	EP30	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 move from the current to the future state culture. This analysis will be conducted from CY22 Q4 to CY23 Q4. 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.	Support	An Organizational Culture Change (OCC) Task Team, comprised of staff from HRD, OIC, the Ethics Office, and the SAC started its work in February 2023 by conducting an inventory of existing and past initiatives as well as policies, procedures, and practices which can contribute to organizational culture change. Focus group sessions with staff have been completed in June/July 2023 to gain deeper insights into the behavioral patterns and drivers that contribute to staff's lack of trust and fear of retaliation. The results from the focus group sessions are well aligned with the thrust of the ISR recommendations and the various in-train IP actions and initiatives and will inform ongoing efforts and additional actions to support durable culture change. A draft proposal is under review and a formal proposal to Management is expected to be tabled in December 2023, and considered as part of the FY25 budget discussions.	CY2023 Q4	On track for completion
60	EP31	The Ethics Office (ETO) and the Office of Mediation will work on further strengthening their training offering to prepare Peers	Support	Several relevant training modules have been launched and completed in CY2023. The Mediation Office and Ethics Advisor will work on further strengthening the training provided to	Ongoing	Ongoing

		for Respectful Workplace Advisors (PRWs) to effectively raise Ethics awareness and empower them to raise systemic ethics-specific concerns in their department with the Ethics Advisor.		the Peers for a Respectful Workplace (PRW) volunteers and representatives.		
61	EP32	Establish Employee Relations Unit within HRD to enhance adherence to timelines and early dispute resolution.	Support—workstream established	A draft proposal has been formulated, informed by an extensive benchmarking of related practices in comparator organizations. The draft proposal is under consultation with stakeholders expected to be finalized and submitted to Management in Q1 of CY2024 and considered as part of the FY25 budget discussions.	CY2023 Q4	Delayed due to workload associated with other ISR actions and staffing bandwidth constraints and need for extensive stakeholder consultations. Revised target date Q1 of CY2024
62	EP34	The Fund should provide a transparent learning process regarding the Administrative Tribunal (AT) cases. 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	Support	The annual memorandum to Memorandum reporting on all Administrative Tribunal decisions, was issued to Management in July 2023—which also included a “Lessons Learned” section, in the context of the ISR recommendations.	Ongoing	Completed. This will continue to be issued on an annual basis going forward.

		engagement with the Board, will also reflect on lessons learned.				
63	EP35	Develop a proposal for the establishment of a Staff Legal Counsel (SLC) function.	Support	The work on defining the design and scope of a Staff Legal Counsel (SLC) function in the Fund will also hinge to a considerable extent on the outputs of the GC streamlining workstream and is deliberately deferred to start in Q1 of CY2024.	CY2023 Q4	Delayed - with a view to leverage the outcomes of the GC streamlining that is underway. Draft proposals expected to be developed by Q2 of CY2024.
64	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. 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. A Task Team, comprising HRD, LEG and SAC, will prepare a proposal for management approval whereby it is anticipated that the first step of Administrative Review will be optional for all matters other than those involving performance appraisal.	Requires further consultation	This work is planned to be initiated in the second half of CY2024.	CY2024 Q4	Action Not Due

65	EP37	Short, enforced timelines 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.	Requires further consultation	This recommendation is planned to be actioned through preparation of a proposal 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. The Task Team will also consider new rules related to consequences for missed timelines. The work will be initiated in the second half of CY2024.	CY2024 Q4	Action Not Due
66	EP38	The process of allocating resources to the DRS offices would benefit from a thorough, objective, and transparent evaluation of resources needed to ensure that they can meet timelines and procedural requirements.	Support	A comprehensive workforce planning exercise (for FY24) has been completed for the DRS, Ethics, and Investigation Offices. The DRS, Ethics, and Investigation Offices collectively received the largest structural percentage increase in the Fund (24.6%) for FY24 budget allocations and about 47% after including transitional funds. This builds on an overall 30 percent increase in DRS resourcing allocated to the Offices in FY23 with an overall upward shift in resources since FY22 of about 80 percent.	CY2023 Q2	Completed
67	EP39	The Fund should re-brand and re-cast the current Grievance Committee placing greater emphasis on equity and being a less judicialized process. This will reduce the length of time taken before a recommendation	Requires further consultation –workstream established	Benchmarking with comparator organizations has been completed. Possible approaches to redesign the GC process are being explored in terms of relative merits and implications of each of the options. A draft memorandum summarizing the options under consideration was circulated to Management in November	CY2023 Q4	Delayed given the need for extensive stakeholder consultations. Revised target date – Q2 of CY2024.

		reaches Management for a decision. 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.		2023. It is expected that the proposal will be finalized in Q2 of CY2024.		
68	EP40	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.	Support	HRD has rolled out the completion of a standardized online Administrative Review Intake Form as well as an Exit Questionnaire.	CY2023 Q1	Completed
69	EP41	The Fund should devote greater efforts to offer a comparable position within the organization to an employee whose employment was wrongfully terminated. 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.	Support	This work is being deferred (given competing priorities) and is planned to be initiated in CY2024.	CY2023 Q4	Delayed. Revised target date – Q3 of CY2024.
70	EP42	All employees of the Fund (including contractual	Requires further	This work is planned to be deferred and initiated in the latter part of CY2024 and will be informed	CY2024 Q4	Action Not Due

		<p>employees) should enjoy the same access to all the DRS and related offices, including the Grievance Committee and the Administrative Tribunal. It is proposed that a WGs, 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>	<p>consultation –workstream established</p>	<p>by the lessons learned from the GC streamlining work.</p>		
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