INTERNATIONAL MONETARY FUND

Implementation Plan in Response to Board-Endorsed Recommendations Arising from the IEO Evaluation of IMF Interactions with Member Countries

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I. INTRODUCTION

1. This paper presents a forward-looking implementation plan for Board-endorsed recommendations of the IEO Evaluation of IMF Interactions with Member Countries.¹ Executive Directors welcomed the important insights offered into the effectiveness of these interactions, which are key to the Fund's ability to achieve its goals. They broadly supported the need to enhance the traction of Fund surveillance, improve the effectiveness of outreach, and strengthen the management of interactions. Directors, nonetheless, "observed that the report covers principally the pre-crisis period, and significant progress has been made on several fronts since then." In drawing up the implementation plan, this note focuses on points commanding broad support by the Executive Board, and builds on existing plans and ongoing reform initiatives that are broadly aligned with the evaluation's recommendations.

II. IEO RECOMMENDATIONS AND BOARD REACTIONS

- 2. The evaluation made wide-ranging recommendations to enhance interactions with member countries. These covered three themes: (i) make the Fund more attractive to country authorities and promote traction; (ii) improve effectiveness of outreach; and (iii) improve management of interactions. The key recommendations from the evaluation main report were:
- Improve the quality and relevance of the international dimensions of the Fund's work.
- As an element of a concerted strategy to engage more deeply with both emerging and advanced economies, develop menus of products and services to be offered and make sure they are transparent, compelling, and feasible.
- Replace the now defunct country surveillance agendas with strategic agendas.

¹ <u>IEO Evaluation of IMF Interactions with Member Countries</u> and <u>The Acting Chair's Summing Up—IEO Evaluation of IMF Interactions with Member Countries</u>.

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- Bring more experts on country visits, especially if country interest/traction is waning.
- Clarify the rules of the game on outreach.
- Decide how to handle the Fund's negative reputation legacy and tell staff so they can act upon it (in ways that go beyond new communications toolkits and media training).
- Provide guidance and training on professional conduct for staff interactions with the authorities and IMF senior/staff management on matters of country assessments.
- Increase mission chief and staff tenure on country assignments, as well as training and incentives for interactions.
- Clarify relationship management arrangements, emphasizing the importance of team work—setting out clearly who is responsible and accountable for what, along with appropriate performance measures.
- 3. The Board endorsed the thrust of the evaluation's recommendations, although Directors expressed a range of views on several specific proposals. Directors further underlined that "the complexity of the issues warrants further analysis and discussion" and that "effective interaction also calls for efforts on the part of national authorities and Executive Directors." Many Directors underscored the "importance of governance reforms...to underpin effective interactions with members"

III. IMPLEMENTATION PLAN

4. The preparation of this Implementation Plan builds on recent Board papers and discussions on the Fund's mandate.² The thrust of the Mandate papers directly addresses key IEO recommendations, particularly those pertaining to enhancing the traction of Fund surveillance and strengthening its international and multilateral aspects. Options to address some of the recommendations, however, are still being crystallized and would require further Board deliberation before concrete actions can be taken. Table 1 sets out the evaluation's specific recommendations, Directors' responses, and proposals for implementation.

IEO Recommendation: "Improve the quality and relevance of the international dimensions of the Fund's work."

- 5. The Mandate papers put forward several options to strengthen the systemic and international aspects of Fund surveillance:
- *New products and procedures to buttress bilateral and multilateral surveillance.* These would enable the Fund to take up the broader and systemic effects of country-level

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² The Fund's Mandate—An Overview; The Fund's Mandate—Future Financing Role; Modernizing the Surveillance Mandate and Modalities and Financial Sector Surveillance and the Mandate of the Fund.

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policies in a fundamentally different way than the WEO, GFSR, the Early Warning Exercise (EWE), or Article IV reports. In particular, the analysis could help bridge the gap between the aggregative nature of the WEO, GFSR, EWE, and bilateral surveillance. Initiatives to this end include: (i) thematic multi-country reports which could be useful in promoting a better understanding of cross-country linkages and improving traction of bilateral surveillance; (ii) spillover reports for countries whose policies or circumstances may significantly affect the stability of the system; and (iii) multilateral consultations, which many Directors supported or were open to consider, on an as needed basis, on specific topics that have systemic implications to foster collaboration and collective action. While not Fund surveillance, the G-20 Mutual Assessment Process (MAP), which was launched in 2009, complements it and offers the Fund another avenue to strengthen engagement with G-20 members and enhance the systemic and international aspect of surveillance. Moreover, Article IV staff reports are increasingly emphasizing international and spillover aspects, especially for large economies, and efforts are ongoing to increase their prominence in the policy dialogue with authorities. Finally, spillover reports are planned on a pilot basis for all five major economies (China, Euro Area, Japan, United Kingdom, and United States) over the course of the next 18 months.

- A multilateral surveillance decision. Many Directors supported or were open to explore a decision that would clarify the Fund's role and provide a framework for engaging policymakers. This would help to build analysis and discussion of the systemic effects of country policies and developments, whether produced by one or the interaction of several countries.
- Financial sector. Better analysis and understanding of macro-systemic and financial sector risks and their linkages are key to strengthening Fund surveillance. Proposals to this end include: (i) improving Fund access to **data to assess spillovers** through global financial networks and their implications for macro-financial stability, including through enhanced coordination with other international agencies and financial sector standard-setting bodies;³ and (ii) making the **FSAP stability module a mandatory** part of surveillance for members with systemically important financial systems.

The Board's reflection—and any specific decisions—on the various options proposed in the Mandate papers is expected to be conveyed in a Board report to the IMFC in September 2010.

IEO Recommendation: "As an element of a concerted strategy to engage more deeply with both emerging and advanced economies, develop menus of products and services to be offered and make sure they are transparent, compelling, and feasible. Where useful, also consider such

³ Collaboration with the Financial Stability Board (FSB) and the Fund has already started on filling these data gaps, including a work program covering 20 recommendations listed in the latest G-20 report "<u>The Financial Crisis and Information Gaps Report to the G-20 Finance Ministers and Central Bank Governors</u>"

strategic menus for other sub-groups of countries, such as the small states who face special challenges, cutting across area department lines."

- 6. The Mandate papers suggested several innovative options to help deepen the Fund's engagement with emerging and advanced economies. On the surveillance side, these include more emphasis on cross-country analysis and spillovers. New "knowledge products" featuring cross cutting themes have been introduced, for example on economies with extremely large financial systems and on emerging market economies' performance during the crisis. On the lending side, the options under consideration cover facilities to provide emergency financing in the event of a systemic crisis via multi-country swap/credit lines, cooperation with regional financing arrangements, refinements to the Flexible Credit Line (FCL), and introduction of a Precautionary Credit Line to meet the needs of members with strong policies but which may nevertheless not qualify for an FCL. Directors expressed broad support for these suggestions, and staff is currently refining design and other issues with the objective of finalizing proposals by the time of the 2010 Annual Meetings.
- 7. Consideration is also being given to further refinements to the Fund's toolkit for its work in low-income countries (LICs). The evaluation provides a positive assessment of relations with LICs. In addition, since the period covered by the evaluation, the Fund's concessional facilities have been comprehensively overhauled, closing most gaps and increasing flexibility, to better tailor them to country needs. A proposed Post-Catastrophe Debt Relief (PCDR) Trust Fund would enable the Fund to join international debt relief efforts for Haiti and other low-income countries hit by similar catastrophic disasters, while preserving the integrity of the Fund's concessional lending operations. Other initiatives to strengthen the Fund's policy advice are also being considered, particularly in assisting LICs in managing vulnerabilities through the development of a Vulnerability Exercise for LICs.

IEO Recommendation: "Replace the now defunct country surveillance agendas with strategic agendas."

8. Options discussed in the Mandate papers are aimed at providing a strategic approach to Fund bilateral surveillance. Experience since the onset of the crisis has shown country surveillance agendas to be often overtaken by events and not very helpful in enabling a swift response by the Fund to changing circumstances in member countries. Bearing this in mind, as well as Directors' views that a strategic agenda "could create an additional burden with little real effect on interactions," an "agenda" may not be an appropriate alternative. Some of the options presented in the Mandate papers, however, would help provide the necessary strategic perspective to bilateral surveillance. The enhanced multilateral surveillance outlined in paragraph 5, for instance, would improve the traction of bilateral surveillance by helping country teams key in on systemic effects and spillover risks to their countries. Board involvement in the context of the work program on its various aspects, and increasing use of regional advisory groups (comprising current and former prominent policymakers and/or academics), could promote buy-in from the membership and underpin the strategic approach

to bilateral surveillance. The elements of a strategic agenda are therefore already being put in place and would be defined in successive Board discussions of the Mandate papers.

IEO Recommendation: "Bring more experts on country visits, especially when country interest and traction are waning."

- 9. Implementing this recommendation would be difficult without added resources, at least in the short run; meanwhile, efforts are ongoing to improve specific expertise. Department strategies continue to emphasize recruitment of mid-career and specialized staff in an effort to strengthen sector-specific institutional knowledge and better respond to members' needs and requests. The Fund hired 108 mid-career economists on staff in 2009, more than twice the average in the preceding 5 years. Of these, 13 were financial sector experts, compared to five each in 2007 and 2008. In addition, 16 financial sector experts were hired on contracts. The Fund also hired a larger proportion of experienced economists with substantial policy experience in 2009, more than 1.5 times the average of the preceding 5 years. New economists possess a wide range of up-to-date skills in macroeconomics with many of them having specialized in the financial sector, while many of the mid-career recruits also bring significant policymaking experience at all levels. The Fund also continues to update and develop the skills of existing staffing, in particular through increased support for external assignments in the financial sector. In addition, five regional advisory groups have been set up to allow area departments to exchange views and advice with experts in the region on how the Fund can better serve the needs of its members.
- 10. The Fund is also looking into ways to increase its presence and expertise on the ground. A Working Group on Fund Presence in the Field has been established. The objective is to assess the business case for increasing staff presence in the field, including technical expertise, as a means of enhancing interaction, particularly in emerging and advanced economies. The Working Group is expected to submit its report to management by end-May.

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IEO Recommendation: "Clarify the rules of the game on outreach."

11. There are several ongoing initiatives to assist staff in their outreach efforts. The Interdepartmental Communications Group is now chaired by the FDMD. The Group meets regularly to examine and provide guidance to staff on strategic communications and outreach priorities. It also facilitates use of the communications toolkit in support of staff's outreach efforts. The toolkit, which was launched in mid-2009, brings together in one place the Fund's policy messages on topical issues and related work so that all of the staff can use the material and, in turn, communicate about the Fund effectively. Increased support and advice is also now offered to organize a range of outreach activities both at headquarters and in the field, including with non-official stakeholders, e.g., CSOs, think tanks, and academia. Staff's outreach initiatives will remain mindful of the need expressed by several Directors "for care in engaging in policy debates outside the official dialogue."

IEO Recommendation: "Decide how to handle the Fund's negative reputational legacy and tell staff so that they can act upon it. Such advice goes beyond the new communications toolkits for mission chiefs and resident representatives and media training available to staff."

- 12. Recent reforms to the Fund's conditionality and lending frameworks should help address the legacy issue, but will take time to be fully effective. Importantly, the decision to move to review-based monitoring of structural conditionality should help ease concerns about the Fund being heavy handed and intrusive and promote greater ownership of programs by country authorities. An early—and real time—review of the experience with recent crisis programs has helped to underline the differences between the current set of program policies with those in the past, and it is expected that such efforts and associated outreach will continue. The establishment of the Flexible Credit Line (FCL) with its focus on ex-ante conditionality is important, and refinements as indicated in paragraph 6 should further align its features with member countries' needs. Finally, the communications toolkit, which is regularly updated with changing Fund policies, should improve dissemination of these reforms.
- 13. The Operational Guidance Note on Conditionality has recently been revised to reflect the changes in the conditionality framework.⁴ The revised guidance note outlines the approach to review-based conditionality and emphasizes the increased flexibility in the use of structural conditions.
- 14. Staff has also increased outreach activities with a variety of stakeholders to strengthen messages about the Fund's role in assisting the membership, particularly LICs. Outreach activities with official and non-official interlocutors aim at disseminating the thrust of recent and ongoing Fund reforms, focusing on increased flexibility and adaptability of its policy advice and lending toolkit to countries' circumstances.

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⁴ Operational Guidance Note on Conditionality—December 2009 Revisions.

IEO Recommendation: "Provide guidance and training on professional conduct for staff interactions with the authorities and IMF senior/staff management on matters of country assessments."

- 15. There are several ongoing initiatives to assist staff in their interaction with country authorities. The Fund has a broad and continuously updated training framework in place to support staff, and in particular mission chiefs, in conducting country relations. To improve interaction, additional training in the area of "conducting country relations" is being considered, including the design of media communications and outreach skills training courses for mission chiefs and refresher sessions for resident representatives.
- 16. The Fund is also considering ways to further deepen guidance and training to improve effectiveness of interactions. A systematic training needs analysis involving area departments should identify specific priorities and form the basis for new or redesigned training courses. While preliminary work has started, the bulk of the training needs analysis will take place in FY 2011. It is expected to start work on the design and offering of at least one of these training sessions during the fiscal year.
- 17. **Work is still ongoing on Standards for Staff Conduct, with participation of the Ethics Officer**. The objective is to review and update the associated rules for the staff Code of Conduct. Only a few Directors supported establishing a task force to develop "professional standards" for staff interactions with country authorities, and staff too is not convinced by the need for yet another working group. Nor is it clear that lack of management support for staff analysis is an endemic problem; as such, no further action is proposed in this area.

IEO Recommendation: "Increase mission chief and staff tenure on country assignments; as well as training and incentives for interactions."

18. Striking a balance between mission team stability on the one hand and staff career development needs and department flexibility on the other remains a challenge. The recent downsizing in Fund staff has made the objective of increasing staff tenure even more difficult, with average mission chief tenures having likely declined. Going forward, however, departments plan to increase staff tenure from this low base, particularly for mission chiefs. Such consideration, however, would need to be mindful of Directors calls for fresh perspectives on country teams as well as the importance of departmental flexibility, especially in times of crisis when staff needs to be redeployed quickly, and of diversity of experience as important factors for mobility and promotion.

IEO Recommendation: "Clarify relationship management arrangements, emphasizing the importance of team work—setting out clearly who is responsible and accountable for what, along with appropriate performance measures."

19. **There are continuing efforts to address these issues**. On resident representatives, these staff typically assume the role of a trusted advisor to the authorities and so complement the role of the mission chief. The resident representative is a member of the country team and

his/her management responsibilities are clearly outlined in the terms of reference. Work is ongoing to continue strengthening the framework for the provision of technical assistance (TA). Current practice anchors the work of functional departments in the priorities of area departments, including on TA. To strengthen country ownership and improve predictability of TA provision in support of agreed reform objectives, some functional and area departments, jointly with country authorities, are currently experimenting with the development of medium-term TA programs. Based on their respective program documents, the strategic directions for regional TA centers are also developed by headquarters, in close consultation with relevant functional and area departments and under the guidance of their Steering Committees. At the same time, the Fund continues to implement its strategy to enhance the effectiveness of its TA, including through the expansion of regional TA centers. Work is in progress to set up two new centers in Africa, AFRITAC South and AFRITAC West 2 (covering non-francophone countries in West Africa), as well as CASTAC in Central Asia.

20. **Deputy managing directors are already responsible and accountable for all aspects of country relations.** Indeed, only a "few Directors supported the IEO recommendation that the responsibilities and accountabilities of management in interactions with members need to be better established." Thus, no actions are proposed in this area.

IV. RESOURCE IMPLICATIONS

21. While several of the initiatives outlined above are part of the existing budget envelope, some new initiatives would have resource and organizational implications.

These include initiatives proposed under the aegis of the Mandate papers or those resulting from the Working Group on Fund Presence in the Field. At present, it is difficult to estimate resource implications, given that Board deliberation on the specifics of several initiatives and proposals is still ongoing. For instance, it is estimated that a spillover report would involve roughly 1-2 staff years to produce, with the implication that up to ten additional staff years would be required to produce a handful of spillover reports. The costs could be larger for ideas in the financial sector and data areas. At the same time, synergies should exist between all these new activities and existing ones, and some experience would be needed to derive more accurate cost implications. Similarly, for new initiatives to increase Fund presence in the field, the resource implications would be revealed once the Working Group reports its assessment and recommendations. More generally, new initiatives requiring net additional resources would need to be framed within discussions of the Mandate papers and considered within the medium-term budget strategy. (The work program envisages a Board discussion of these issues in October 2010.)

Table 1: IEO Evaluation of IMF Interactions with Member Countries: Recommendations, Board Response, and Proposed Follow-Up

IEO Recommendations	Executive Directors'	Follow-Up Plan							
	Responses	-							
To make the Fund more attractive to country authorities and promote traction									
1. Improve the quality and	"Directors stressed the	Initiatives in the Mandate papers,							
relevance of the international	importance of further enhancing	including:							
dimensions of the Fund's	the international dimension of								
Work. For instance, a new	the Fund's surveillance and	- New bilateral and multilateral							
knowledge product, such as a	policy work with greater	surveillance procedures and							
"Cross-Country Brief" could be	attention to cross-country	products: (i) thematic multi-							
prepared on requested topics	analysis and spillovers"	country reports; (ii) spillover							
and/or periodically, mining the	"W/L:12 offerts to immune	reports; (iii) multilateral							
latest work coming out of	"While efforts to improve traction should aim to	consultations							
experience and research available within the Fund and		- Multilateral surveillance							
drawing on its huge store of	strengthen existing instruments in the first instance, Directors	decision							
country and macro-financial	remained open to <i>exploring</i>	decision							
knowledge.	other products that could	- Continue strengthening Fund's							
into wreage.	enhance the Fund's cross-	financial sector analysis and							
	country analysis."	understanding of macro-							
		financial linkages: (i) improve							
	"[Directors] emphasized that,	access to data for analysis of							
	building on the flagship	spillover risks; (ii) make the							
	products of the World	FSAP stability module							
	Economic Outlook, the Global	mandatory for countries with							
	Financial Stability Review, the	systemically important financial							
	Regional Economic Outlooks,	systems							
	and other products in the Work								
	Program, there is scope for								
	improvements and better								
	integration of multilateral								
	surveillance products into bilateral surveillance."								
2. As an element of concerted		Initiatives in the Mandate papers,							
	"[Directors] also remained open to considering menus of	including:							
strategy to engage more deeply with both emerging	products for different country	including.							
and advanced economies,	groupings within resource limits	- New 'knowledge products': such							
develop menus of products	and while preserving the	as (i) work on economies with							
and services to be offered and	evenhandedness of	large financial systems; (ii)							
make sure they are	surveillance."	emerging market economies'							
transparent, compelling, and		performance during the crisis							
feasible.									
		- Multi-country swap/credit lines							
		- Support to regional financing arrangements (RFAs)							
		- Precautionary Credit Line (PCL)							
		- Refinements to FCL							

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Where useful, also consider		- PCDR Trust Fund for disaster
such strategic menus for other		stricken fragile states
sub-groups of countries, such as		
the small states who face		- Vulnerability Exercise for LICs
special challenges, cutting		•
across area department lines.		
3. Replace the now defunct	"A number of Directors	Options in the Mandate papers—see
country surveillance agendas	supported further consideration	initiatives under recommendation 1
with strategic agendasthe	of the proposal to replace the	above
strategic agendas would:	Surveillance Agenda with	
(i) include effectiveness of	"strategic agendas". Other	
interactions as a specific goal;	Directors were concerned that	
(ii) spell out the linkages across	such agendas could create an	
surveillance, programs, and any	additional burden with little real	
technical assistance plans, and	effect on interactions."	
to traction, over the medium	creation interactions.	
term; (iii) clarify the outreach	"Directors looked forward to	
plan—its strategic links to	considering proposals to	
traction and constraints to its	improve surveillance and its	
effectiveness; (iv) build in	traction, and reference was	
consultation with authorities to	made to the upcoming review of	
	the Fund's mandate and	
help generate buy-in; (v) align	modalities."	
the associated budgetary and	modanties.	
staffing requirements; and		
(vi) increase accountability and		
learning, reflect staff self		
assessments of what the Fund's		
previous interactions achieved.	"G D'	
previous interactions achieved. 4. Bring more experts on	"Some Directors saw merit in	- Continue emphasis on mid-
previous interactions achieved. 4. Bring more experts on country visits, especially when	the proposal to bring more	career and specialized skills
previous interactions achieved. 4. Bring more experts on country visits, especially when country interest and traction	the proposal to bring more experts on country visits,	_
previous interactions achieved. 4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must	the proposal to bring more experts on country visits, especially when they offer	career and specialized skills recruitment
previous interactions achieved. 4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific	the proposal to bring more experts on country visits, especially when they offer significant value added, but	career and specialized skills
4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific expertise to work directly with	the proposal to bring more experts on country visits, especially when they offer significant value added, but others were concerned that a	career and specialized skills recruitment - Regional advisory groups
previous interactions achieved. 4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific expertise to work directly with authorities. To provide this, it	the proposal to bring more experts on country visits, especially when they offer significant value added, but others were concerned that a greater role of experts could run	career and specialized skills recruitment - Regional advisory groups - Working Group on Fund
previous interactions achieved. 4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific expertise to work directly with authorities. To provide this, it needs to further improve the	the proposal to bring more experts on country visits, especially when they offer significant value added, but others were concerned that a	career and specialized skills recruitment - Regional advisory groups - Working Group on Fund Presence in the Field report by
previous interactions achieved. 4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific expertise to work directly with authorities. To provide this, it needs to further improve the staff skills mix by recruiting	the proposal to bring more experts on country visits, especially when they offer significant value added, but others were concerned that a greater role of experts could run counter to team continuity."	career and specialized skills recruitment - Regional advisory groups - Working Group on Fund
4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific expertise to work directly with authorities. To provide this, it needs to further improve the staff skills mix by recruiting highly skilled technical experts	the proposal to bring more experts on country visits, especially when they offer significant value added, but others were concerned that a greater role of experts could run counter to team continuity."	career and specialized skills recruitment - Regional advisory groups - Working Group on Fund Presence in the Field report by
4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific expertise to work directly with authorities. To provide this, it needs to further improve the staff skills mix by recruiting highly skilled technical experts and mid-career practitioners	the proposal to bring more experts on country visits, especially when they offer significant value added, but others were concerned that a greater role of experts could run counter to team continuity." "Directors supported the expanded recruitment of	career and specialized skills recruitment - Regional advisory groups - Working Group on Fund Presence in the Field report by
4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific expertise to work directly with authorities. To provide this, it needs to further improve the staff skills mix by recruiting highly skilled technical experts and mid-career practitioners who would add value and	the proposal to bring more experts on country visits, especially when they offer significant value added, but others were concerned that a greater role of experts could run counter to team continuity." "Directors supported the expanded recruitment of experienced, mid-career	career and specialized skills recruitment - Regional advisory groups - Working Group on Fund Presence in the Field report by
4. Bring more experts on country visits, especially when country interest and traction are waning. The Fund must increasingly offer specific expertise to work directly with authorities. To provide this, it needs to further improve the staff skills mix by recruiting highly skilled technical experts and mid-career practitioners who would add value and command peer respect, and by	the proposal to bring more experts on country visits, especially when they offer significant value added, but others were concerned that a greater role of experts could run counter to team continuity." "Directors supported the expanded recruitment of experienced, mid-career professionals to ensure the right	career and specialized skills recruitment - Regional advisory groups - Working Group on Fund Presence in the Field report by
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in large emerging and advanced	"Several Directors stressed the		priorities
economies.	need for care in engaging in		
	policy debates outside the	-	Continue updating
	official dialogue, and a few		communications toolkit with
	asked for further discussion on		changing Fund policies and
	this issue."		facilitate staff use of toolkit
6. Decide how to handle the	"[Directors] agreed that it is	Re	cent reforms:
Fund's negative reputational	important for the Fund to deal		
legacy and tell staff so that	forthrightly with current and	_	Adoption of review-based
they can act upon it. Such	past controversies, and that		monitoring of structural
advice goes beyond the new	outreach efforts should be		conditionality
communications toolkits for	regularly updated to reflect		, , , , , , , , , , , , , , , , , , ,
mission chiefs and resident	ongoing reforms in Fund	_	Establishment of FCL (ex-ante
representatives and media	policies."		conditionality)
training available to staff.	poneies.		conditionality)
a vanable to stait.	"While outreach efforts were	_	Update communications toolkit
	seen to have a critical role in	-	opaate communications tootkit
	overcoming a negative	_	Revised Conditionality
	reputational legacy in many	-	Guidance Note
	countries, Directors generally		Guidance Note
			Ingressed targeted outrooch
	did not support the proposal to	-	Increased targeted outreach activities
	develop specific guidance in this particular area."		activities
T : 41 (C :			
To improve the management of i			
7. Provide guidance and	"Directors strongly supported	-	Continue updating training
training on professional	efforts to enhance the candor		framework for staff and mission
conduct for staff interactions	and effectiveness of Fund		chiefs: new course on
with the authorities and IMF	engagement with country		'conducting country relations'
senior staff/management on	authorities. They acknowledged		~
matters of country	the critical role of management	-	Communication and outreach
Assessments. The Managing	and the Executive Board in		refresher courses for resident
Director should commission a	supporting staff analysis		representatives and mission
task force of staff at all levels,	involving politically difficult		chiefs
with participation by the ethics	messages. Directors supported		
officer, to consider guidance for	continued deepening of	-	Systematic training needs
staff on how to be both	guidance and training for staff		analysis
appropriately forthright, and	in conducting country relations"		
respectful The task force			
should report back by summer	"A few Directors supported the	-	Working Group on Standards for
2010, and the actionable points	establishment of a task force to		Staff Conduct
to be reported to the Executive	develop professional standards		
Board for its endorsement and	for staff interactions with the		
oversight.	authorities on country		
	assessments."		
8. Increase mission chief and	"Directors generally supported	-	Increase staff tenure from the
staff tenure on country	the proposal to increase mission		current low base, while
assignments; as well as	chief and staff tenure on		remaining mindful of Directors
training and incentives for	country assignments. They		calls for fresh perspectives on
interactions. Current turnover	welcomed the steps being taken		country teams as well as the
rates are vexing to all country	in this regard and noted that <i>this</i>		importance of departmental
groupings, except for the G-7,	objective should be balanced		flexibility and staff career
and need to be reduced along	against the desire for fresh and		development needs

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with the transition costs of the	cross-country perspectives."		
handover to new teams.			
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Equally, staff training for		-	Training framework: new course
interactions needs to be			on 'conducting country
enhanced, especially for senior			relations'
staff, including practical advice			
based on country experience.			
9. Clarify relationship		-	Continue efforts to improve
management arrangements,			clarity about relations and
emphasizing the importance			management responsibilities
of team work—setting out			between mission chief and
clearly who is responsible and			resident representative
accountable for what, along			
with appropriate			
performance measures. The			
links (interrelationships and			
overall management			
responsibility) between the			
mission chief and the resident			
representative need to be			
clarified and systematized, with			
a view to improving the quality			
of interactions with the			
authorities and other			
stakeholders.			
The Fund should also continue		-	Continue strengthening
to strengthen implementation of			framework for provision of
its vision for country-specific			technical assistance
technical assistance strategies,			
involving a joint agenda with		-	Medium-term technical
countries, with the area			assistance programs on pilot
departments responsible and			basis
accountable for the overall			
strategy and the functional			
departments for the delivery			
and quality of the specific			
technical assistance products.			
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Finally and importantly, the	"A few Directors supported the	-	No action; proposal not broadly
responsibilities and	IEO recommendation that the		supported
accountabilities of the MD and	responsibilities and		
DMDs for interactions need to	accountabilities of management		
be better established.	in interactions with members		
	need to be better established."		