



October 2023

GENDER DIVERSITY IN THE EXECUTIVE BOARD— INTERIM REPORT OF THE EXECUTIVE BOARD TO THE BOARD OF GOVERNORS

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

- The report prepared by the members of the Working Group on Gender Diversity at the Executive Board, Daniel Palotai (Co-Chair), Elizabeth Shortino (Co-Chair), Abdullah BinZarah, Yati Kurniati, Reshma Mahabir, Anne Marcussen, Veda Poon, Krishnamurthy Subramanian, Vuyelwa Vumendlini, and IMF staff Elena Michaels, Erica Anderson, and Emelie Mannefred.

The report prepared by the Executive Board Working Group on Gender Diversity, and IMF staff and presented to the Executive Board on October 2, 2023, and transmitted to the IMF Board of Governors on October 9, 2023. The interim report was approved for publication on October 10, 2023.

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**International Monetary Fund
Washington, D.C.**

GENDER DIVERSITY IN THE EXECUTIVE BOARD

INTERIM REPORT OF THE EXECUTIVE BOARD TO THE BOARD OF GOVERNORS

Greater gender diversity of the IMF's Executive Board continues to be important to strengthen decision-making at the highest levels of the institution by bringing together different perspectives. Increasing the number of women Executive Directors and Alternate Executive Directors sends important signals about the high value the membership and the IMF place on improving diversity and to generate better outcomes.

Despite the IMFC's calls for increased gender diversity of the Executive Board, the number of women holding the position of Executive Director and Alternate Executive Director on the Executive Board has not substantially improved over time.¹ It is a great concern that the proportion of women on the Executive Board has declined in recent years, as shown in the attached updated Fact Sheet.

Moving beyond rhetoric to achieve concrete change can only be accomplished with the commitment from member countries to develop, encourage and appoint women as Executive Directors and Alternate Executive Directors. There is an urgent need for change, beginning with the 2024 regular election of Executive Directors next year.

The Executive Board is exploring ways to build sustained momentum for nominating and selecting women candidates for these positions, drawing on the lessons learned by organizations that have successfully effected positive change in the diversity of their leadership, including their boards. It is notable that many organizations, including the IMF itself, have moved forward by defining what success looks like, and setting progressive benchmarks for implementing change. In this interim report to the Board of Governors, the Executive Board presents a summary of these experiences, and proposes that work continue on exploring how this approach might be adapted for the specific circumstances of the Executive Board.



¹ Historically, since the Fund was established in 1948, ten constituencies out of 24 "chairs" on the Board have elected women in the Executive Director role. The average number of women in Executive Director and Alternate Executive Director position over last ten years has been 2.5 and 3.9 respectively.

Comparator Experience of Setting Goals for Gender Diversity

Testimonies from public institutions and the private sector indicate that setting gender diversity goals that encourage and support increasing women's representation at all levels is useful in creating accountability and demonstrating commitment to improving gender balance.² A study conducted by the OECD shows that jurisdictions that had initiated gender quotas or targets for board composition in listed companies had achieved greater gender diversity than those who did not use targets.³ The Official Monetary and Financial Institutions Forum also notes that introducing aspirational gender targets is one of the most straightforward solutions for addressing gender inequality in the financial sector. The European Central Bank (ECB), which has had gender targets as part of its wider diversity and inclusion policy since 2013, has experienced improvements in the institutions gender balance at all levels since the introduction of the targets.⁴

Many major private sector corporations have also moved to strengthen their commitment to and implementation of increased representation of women on their boards by specifying goals for the number of women in these roles.

Box 1. Insights from CEOs of S&P 500 Companies¹

Recent studies by McKinsey on effective strategies for increasing gender diversity on corporate boards in the private sector have required purpose and intention—a set of goals and motivations that will underpin decision making. For some companies, that has meant establishing a target number of board positions for women, while others take care to ensure that the list of candidates is diverse from the beginning, without adherence to a static quota.

- Effectively creating and cultivating an active pipeline of female candidates is arguably the single most important element of a successful board-inclusion effort.
- Board diversity helps to draw in and motivate talented employees. “To attract the best talent into the company, you need to appeal to 100 percent of the top talent, not 50 percent. To do that, you need strong female role models.” Tiger Tyagarajan, President and CEO, *Genpact*
- A diverse board boosts decision-making quality. “The quality of discussions goes up dramatically when you have a more diverse group in the boardroom.” Scott Anderson, chairman, president, and CEO, *Patterson Companies*. “You get questions from perspectives that you hadn't thought of before, and I think this helps you avoid more blind spots.” Rodney McMullen, Chairman and CEO, *Kroger*
- It took an explicit effort to make sure that we had women directors on the board, and then from there it became a natural process, as those members advocated for more women to join them. William P. Lauder, executive chairman, *The Estée Lauder Companies*
- It really is about intentionality of leadership—continuing to drive diversity across the company, even if you have already achieved many of your objectives. You can't take progress for granted. Leaders must make sure that everyone understands the benefits to the organization, the results these decisions bring, and the power of talented women and all that they have achieved. Fabrizio Freda, president and CEO, *The Estée Lauder Companies*

^{1/} McKinsey 2017, [How to accelerate gender diversity on boards](#)

² OMFIF 2023, [Gender Balance Index 2023](#)

³ OECD 2022, [Enhancing gender diversity on boards and in senior management of listed companies](#), OECD Corporate Governance Working Papers No. 28

⁴ ECB 2023, Press Release: [ECB gender targets: interim assessment](#)

IMF Member Country Experiences with Gender Targets

Valuable insights have also been shared by Executive Directors representing member countries which have introduced gender diversity goals/targets in the appointments of women to senior roles in government and the public.

How Change Happens: The Setting of Gender Goals

The Experience of Canada

The Government of Canada's direction from the top to make gender diversity a priority provided the necessary catalyst for change. The demonstrated ability to quickly and visibly enact gender parity within Cabinet and Governor-in-Council-level appointments set the bar and created a strong signal to all federal departments and agencies. Achieving greater gender diversity across the government required an appropriate strategy to ensure continued progress. This involved creating an accountability framework by setting multiyear representation targets with regular reporting, periodic reviews of hiring processes, as well as guidance and shared best practices. Transparency and accountability, as well as providing space for innovative approaches were key elements of success.

The Experience of Australia

The decision to focus on improving gender diversity recognized the need for a structured framework. Goals were agreed on following extensive discussions about how they could be achieved. Initial work focused on understanding the composition of the public sector working population, to identify where the gaps existed. The structured framework not only took into account the experience of the past, but also built in regular reporting to track progress against defined goals. Since the start of the conversation and decision to make a commitment to increase gender diversity, significant progress has been made over time.

The Experience of Indonesia

A clear commitment from the top to increasing gender diversity at higher levels is needed, as it strongly motivates them to prove their competency. While current goals for the Central Bank and Ministry of Finance are seeing continued progress, there is a parallel focus on providing opportunities at other levels of government for women to enhance their talents and build their career upwards. Opportunities need to be accompanied by structured program, not only to enhance talent and leadership, but also to challenge and prepare them to be ready to serve at higher level in any public sectors, local government agencies or regional representative offices.

Gender Diversity Benchmarks in the IMF

Benchmarks for Gender Diversity in Staff Representation

The IMF continues to make strides in gender representation. As the Managing Director notes in the [2020-2021 Report on Diversity and Inclusion](#), for the first time in its history, three of the Fund's five top leaders are women and since October 2019, half of the newly appointed Heads of Departments and Offices are women. The Fund has made good progress in achieving better gender diversity of its leadership and its career staff by adopting medium term benchmarks for the number of women promoted to managerial positions, and recruited to the staff. These benchmarks were first introduced in 2003 and have been revised several times as those goals targets were met, and further progress was deemed necessary. In early FY 2021, a new benchmark framework set the IMF on a path to achieve greater progress by the end of FY 2025. Since 2019, these efforts have been supported by a robust accountability mechanism to ensure that managers contribute more proactively to achieving the Fund's diversity objectives and creating a more inclusive work environment through recruitment, staff development, performance assessment, and promotion decisions.

2020 Benchmarks Are on Track

Women

✓ 30 % share of B level staff

25% share of B level staff in economist departments*

45 % share of B level staff in SCS departments

50 % share of A9-B5 recruitment



*Departments are considered either economist or SCS, based on the career stream distribution at the B-level

Source: Source: 2020-2021 IMF Diversity and Inclusion Report: <https://www.imf.org/external/np/div/2021/index.pdf>

Table 1. FY2025 IMF Gender Diversity Benchmarks for Staff Representation

	2025 Benchmark	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Gap From Benchmark
Institutional Goals							
Gender Parity							
A1-B5 (including contractuales with 1+ year contract)	50	46.2	46.2	46.8	47.3	47.0	-3.0
B4 & B5	50	19.0	20.0	24.7	26.1	33.0	-17.0
Recruitment Targets							
Women A9 to A14/A15 (Individual Contributors and Senior Officers)	50	37.1	37.6	27.0	43.8	37.0	-13.0

Source: 2020-2021 IMF Diversity and Inclusion Report: Data Source: PeopleSoft HRMS. Excludes the Offices of the Executive Directors (OED) and Independent Evaluations Office (IEO).

Table 2. Gender Diversity of IMF Senior Management

(Department Heads and Deputy Department Heads)

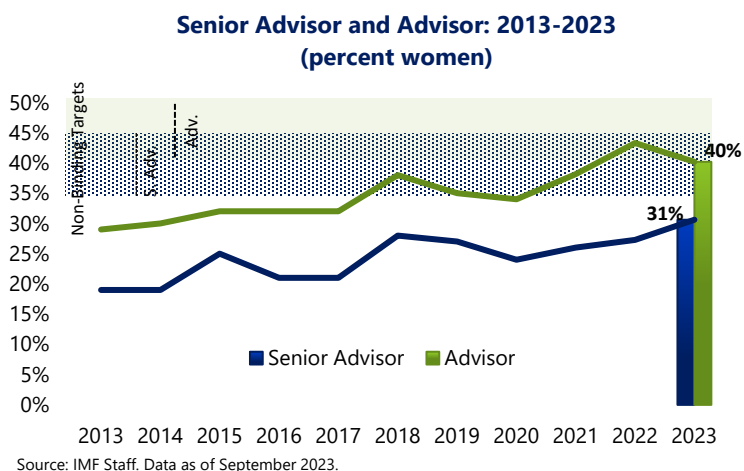
	Total No.	Women		Men	
		No.	Percent	No.	Percent
Senior Management ^{1/}					
FY 2021	91	30	33.0	61	67.0
FY 2020	88	23	26.7	65	73.9
FY 2019	85	21	24.7	64	75.3
FY 2018	85	17	20.0	68	80.0
FY 2017	84	16	19.0	68	81.0

Source: 2020-2021 IMF Diversity and Inclusion Report: Data Source: PeopleSoft HRMS. Excludes the OED and IEO.

^{1/} B4 and B5 grade-level staff only.

Benchmarks for Gender Diversity in Executive Board Representation

The IMF's Executive Board has also experienced positive change in the recruitment of women to economist positions in the Offices of Executive Director. In 2016, the Executive Board agreed that voluntary targets should be established for the appointments of women as Senior Advisors to Executive Director (35-40 percent) and Advisors (40-50 percent) to Executive Directors. Since their introduction in 2016, progress against these targets have continued to steadily improve, notwithstanding fluctuations in year to year shifts.



Next Steps

The Executive Board is working on ways to expand the representation of women in the most senior roles in the Board, including:

- Collective voluntary medium-term objectives, similar to those at the Senior Advisor and Advisor level, for female representation amongst Executive Directors and Alternate Executive Directors, aiming for parity over time;
- A commitment to assess progress over time, for example by setting collective progressive voluntary milestones, while recognizing that the decisions to select candidates for the roles of Executive Director and Alternate Executive Director will rest with member country authorities;
- Sharing of best practices, to help members to develop a pipeline of candidates for Executive Director and Alternative Executive Director positions to help meet these voluntary objectives.

To support this ongoing conversation, the Executive Board Working Group on Gender Diversity (WGGD) and Directors are requested to share the updated Fact Sheet with their authorities, and to explore – as opportunity permits – their authorities' sentiments on these issues, to inform further work by the WGGD and the Executive Board ahead of its next report to the Executive Board in advance of the 2024 Spring Meetings.



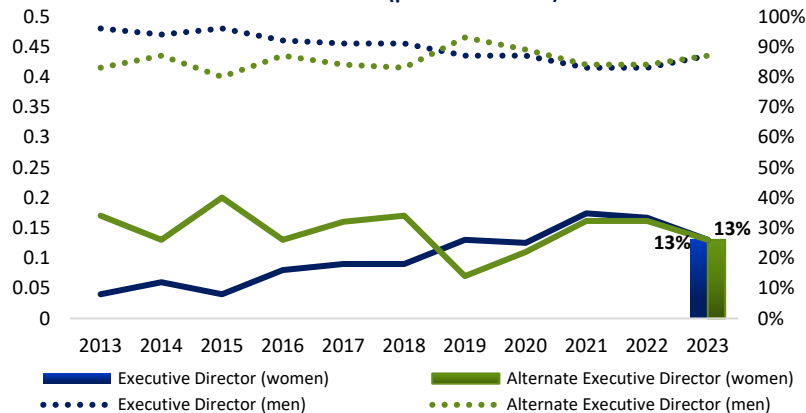
GENDER DIVERSITY IN THE IMF EXECUTIVE BOARD—FALL 2023

WOMEN CONTINUE TO BE UNDERREPRESENTED ON THE IMF EXECUTIVE BOARD...

The number of women in the Executive Director position remained at 3 out of 24 Executive Directors, whereas the number of women in the Alternate Executive Director position saw a decline from 5 to 3 out of 31 Alternate Executive Directors since April...

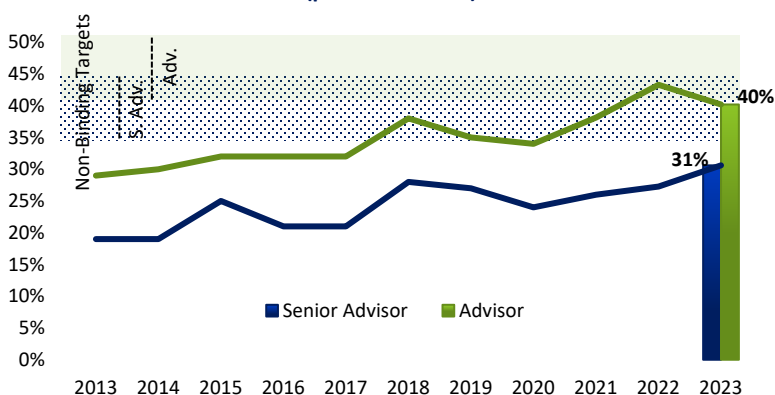
The Board has set voluntary targets for women in the Senior Advisor position (35-45 percent) and women in the Advisor position (40-50 percent), and while progress toward those targets is generally improving, there is fragility in maintaining upward momentum...

Executive Directors and Alternate Executive Directors:
2013-2023 (percent women)



Source: IMF Staff. Data as of September 2023.

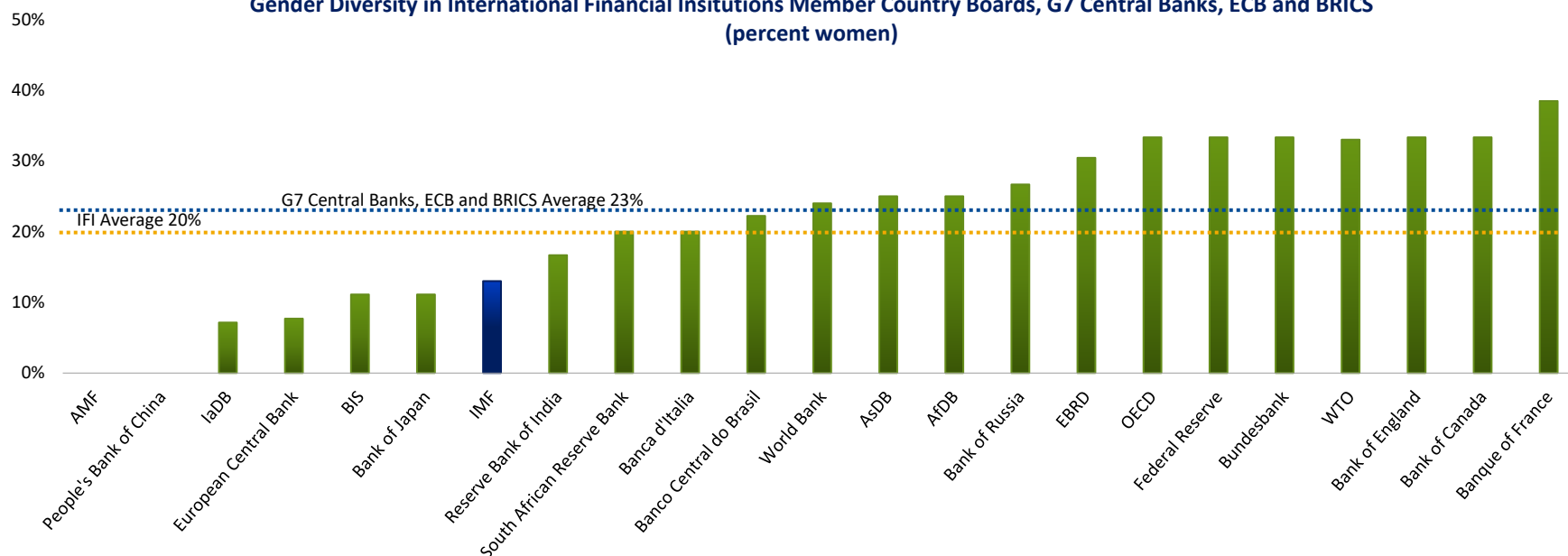
Senior Advisor and Advisor: 2013-2023
(percent women)



Source: IMF Staff. Data as of September 2023.

The IMF Executive Board continues to lag behind comparator institutions and remains below the average as compared to other international financial institutions and central banks.

Gender Diversity in International Financial Institutions Member Country Boards, G7 Central Banks, ECB and BRICS
(percent women)



Sources: IMF and IFI websites, data as of September 2023. WTO data as of April 2023. AfDB data as of September 2022. Central bank websites, data as of September 2023.

Note: Data refers to the central banks' monetary policy decision-making bodies, except Bundesbank (Executive Board), Banca d'Italia (Directorate), and Banque de France (General Council).