



September 2016

GENDER DIVERSITY IN THE EXECUTIVE BOARD— DRAFT 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 has been released and is included in this package:

Gender Diversity in the Executive Board—Draft Report of the Executive Board to the Board of Governors prepared by Executive Directors, Ms. Kapwepwe and Mr. Sterland. The paper was issued to the Executive Board for consideration on July 1, 2016, and was approved for publication on September 16, 2016.

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



July 1, 2016

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

- 1. Attached for the consideration of the Executive Board is a draft report to the Board of Governors entitled “Gender Diversity in the Executive Board—Report of the Executive Board to the Board of Governors” (the “Report”).** The Report reflects discussion among Executive Directors on June 7, 2016 and responds to the April 16, 2016 *Communique of the Thirty-Third Meeting of the IMFC* which stated that “We reiterate the importance of maintaining the high quality and improving the regional, gender, and education diversity of the IMF’s staff, and of promoting gender diversity in the Executive Board.”
- 2. In the Report, the Executive Board welcomes the IMFC’s attention to the importance of gender diversity and elaborates on the case for improving gender diversity in the Board.** The Executive Board has supported management’s efforts to improve diversity, including gender diversity, in Fund staff. In the most recent discussion of the Diversity and Inclusion Annual Report, Directors “emphasized that staff diversity and inclusion are important objectives to enhance the quality of the Fund’s work and engagement with member countries.”¹ More broadly, the Board has called for targeted Fund support for countries seeking to develop policies to promote economic inclusion, including gender inclusion (where this is deemed macro-critical for achieving sustained economic growth).²
- 3. The Executive Board is by nature diverse in national representation. Improving gender diversity in the Executive Board would further demonstrate and reinforce the Executive Board’s commitment to the Fund’s efforts to improve gender diversity.** Further, there is growing evidence that diverse Boards are more effective and organizations governed by diverse Boards are more successful.³ Diversity allows for different perspectives to enhance the quality of decision making, and deepen

¹ *IMF Executive Board Discusses the 2015 Diversity and Inclusion Annual Report*, PR/16/46, 2/5/16. (“Directors welcomed the progress being made to increase the number of women at managerial levels. They noted, however, that more work needs to be done, and supported the Fund’s focus on developing women leaders and building a more gender-balanced leadership pipeline, particularly in economist departments.”)

² *IMF Executive Board Discusses Financing for Development*, PR/15/325, 7/8/15.

³ Christiansen, Lin, Pereira, Topalova and Turk, *IMF Working Paper, Gender Diversity in Senior Positions and Firm Performance: Evidence from Europe*, WP/16/50; Credit Suisse Research Institute, *Gender Diversity and Corporate Performance*, 2012; McKinsey & Company, *Women Matter: Gender Diversity: A Corporate Performance Driver*, 2007.

the relevance and enhance the effectiveness of the Fund's delivery of services to member countries. A diverse and inclusive Fund includes gender diversity in the Executive Board.

4. The Report provides an assessment of gender diversity in the Executive Board, in the past and present. Under the Fund's legal framework, Fund Governors elect Executive Directors, and Executive Directors appoint Alternate Executive Directors and other Office of Executive Director staff. However, it is recognized that such appointments are influenced by constituency agreements and other external factors. Accordingly, in the June 7, 2016 discussion, Executive Directors agreed that in addition to the actions Executive Directors can take directly, it was important to seek the support of Fund Governors and raise the visibility of gender diversity in the Executive Board with the Fund's membership. With this background, the Report outlines the strategy for improving gender diversity in the Executive Board that Executive Directors will seek to implement in support of the IMFC's call. Finally, the Report encourages Fund Governors to support Executive Directors' strategy for improving gender diversity in the Offices of the Executive Directors and, in line with the IMFC communiqué to take the importance of gender diversity into consideration when nominating candidates for the position of Executive Directors.

Annex. Gender Diversity in the Executive Board— Draft Report of the Executive Board to the Board of Governors

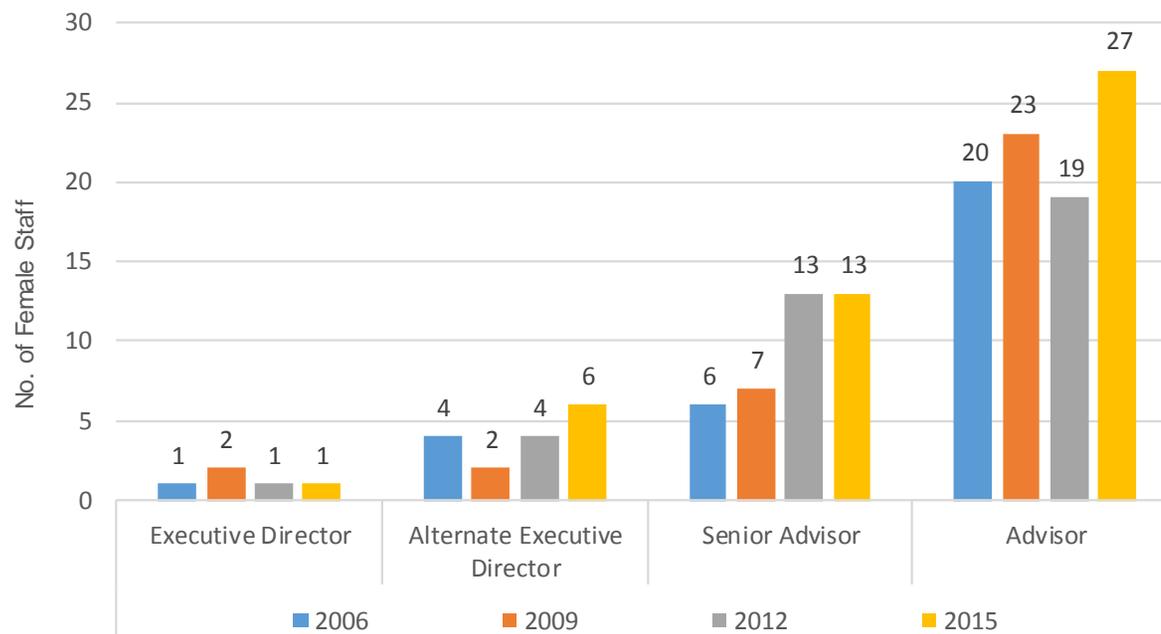
1. Executive Directors welcome the statement in the April 2016 *Communiqué of the Thirty-Third Meeting of the IMFC*, that “We reiterate the importance of maintaining the high quality and improving the regional, gender, and education diversity of the IMF’s staff, and of promoting gender diversity in the Executive Board.”
2. In their recent discussion of gender diversity in the Executive Board, Executive Directors strongly supported the need to promote gender diversity in the Executive Board and work with Fund Governors and members to do so. Executive Directors consider that improving gender diversity in the Executive Board would lead to a more effective IMF. Diversity allows for different perspectives to enhance the quality of decision making, and deepen the relevance and enhance the effectiveness of the Fund’s delivery of services to member countries. A diverse and inclusive Fund includes gender diversity in the Executive Board.
3. Although the Executive Board is by its nature diverse in national representation, it is not diverse in terms of gender. Currently, there is one female Executive Director among 24. Over the last ten years, there has been on average only one female Executive Director (see Table 1 and Chart 1). In 2016, the number of female Alternate Executive Directors is currently six among 30 (see Table 2). This is more than the average over the last ten years of four female Alternate Executive Directors; however, it is still low and should be considered against the overall increase in the number of Alternate Executive Director positions. It is notable that the gender diversity in the Executive Board is less than in the Board of the World Bank (Table 2). Gender diversity in the Executive Board should also be considered in terms of the Senior Advisors and Advisors who contribute to the work of the Offices of Executive Directors. Currently, 24 percent of Senior Advisors and 33 percent of Advisors are female.

Table 1. Ten-Year Profile of Gender Diversity of IMF Executive Board 2006-2015
(as at end-December in each year)

OED Professional Level	2006			2007			2008			2009			2010		
	No. of Female Staff	Total Positions	% Female of Total Positions												
Executive Director	1	23	4	1	24	4	1	24	4	2	24	8	2	24	8
Alternate Executive Director	4	24	17	4	24	17	2	23	9	2	22	9	3	23	13
Senior Advisor	6	56	11	7	54	13	8	53	15	7	53	13	8	52	15
Advisor	20	85	24	22	82	27	22	79	28	23	82	28	23	84	27
TOTAL	31	188	16	34	184	18	33	179	18	34	181	19	36	183	20

OED Professional Level	2011			2012			2013			2014			2015		
	No. of Female Staff	Total Positions	% Female of Total Positions												
Executive Director	1	24	4	1	24	4	1	24	4	1	24	4	1	24	4
Alternate Executive Director	5	24	21	4	26	15	5	29	17	4	29	14	6	30	20
Senior Advisor	10	54	19	13	56	23	10	53	19	10	52	19	13	53	25
Advisor	19	85	22	19	88	22	26	89	29	28	92	30	27	85	32
TOTAL	35	187	19	37	194	19	42	195	22	43	197	22	47	192	24

Source: HRPROD, PeopleSoft.

Chart 1. IMF Executive Board Gender Diversity in Selected Years (2006, 2009, 2012, 2015)

*Note that Alternate Executive Directors increased from 24 to 30 commencing 2011.

Table 2. Current Gender Diversity of IMF and World Bank Executive Boards
(as at May 2016)

Position	IMF			World Bank		
	Female	Total ¹	Percentage	Female	Total ¹	Percentage
Executive Director	1	24	4%	4	25	16%
Alternate Executive Director	6	31	19%	9	24	38%
Senior Advisor to Executive Director	13	54	24%	19	59	32%
Advisor to Executive Director	30	90	33%	39	113	35%
Total	50	199	25%	71	221	32%

1/ Currently one IMF Executive Director Position is vacant.
Source: HRPROD, PeopleSoft.

4. Executive Directors are committed to improving gender diversity in the Executive Board. Election of Executive Directors is the responsibility of Fund Governors. Although the appointment of Alternate Executive Directors is the responsibility of Executive Directors, Executive Directors recognize that in practice, the appointment of Alternate Executive Directors involves input from Fund Governors and members. Accordingly, Executive Directors are focusing their actions on the diversity of their Offices recognizing that a more diverse group of Advisors and Senior Advisors will enhance the quality of the Board's engagement and contribute to the future pool from which to appoint Executive Directors and Alternate Executive Directors. To this end, Executive Directors will seek to implement the following strategy:
- Updating Board practices and procedures to support gender diversity and inclusion.
 - Participating, together with Office of Executive Director (OED) staff in gender-diversity awareness training and other diversity programs as relevant.
 - Raising the issue of gender diversity in the Executive Board and Offices with countries in their constituencies, including how authorities could encourage female candidates to seek and accept positions in OED offices.

- Establishing nonbinding and collective goals for the improvement of gender diversity in Senior Advisor and Advisor positions. Goals would be measured across OED offices. Executive Directors would, to the extent possible, work with their authorities toward female representation of 35-45 percent of Senior Advisors and 40-50 percent of Advisor positions across OED offices by 2020.⁴
 - Continuing to engage with management on gender diversity and other issues of diversity and inclusion within Fund staff, taking into consideration the implications of Fund employment and benefits policies for OED staff.
 - Establishing a working group of Executive Directors and Alternate Executive Directors to help carry forward in a focused way the work on promoting gender diversity in the Executive Board.
 - The working group will arrange for Executive Directors to meet annually to assess progress on gender diversity goals, share good practices, deepen the analysis of this issue, and determine any additional actions to better meet the nonbinding and collective goals.
5. Against this background, Executive Directors encourage Fund Governors to support Executive Directors' strategy for improving gender diversity in the Offices of the Executive Board. In particular, as Fund Governors are responsible for nominations for the position of Executive Directors, and in line with the IMFC communique, the Executive Board encourages Fund Governors to take the importance of ensuring gender diversity into consideration when nominating candidates for the position of Executive Directors.
6. The Executive Board will report to the Board of Governors on progress toward improving gender diversity annually and in advance of the 2018 and 2020 regular elections of Executive Directors.

⁴ Distinguishing between the two groups recognizes the different starting points for Senior Advisors (currently 24% female) and Advisors (currently 33% female) but also that Senior Advisors represent the highest position below Alternate Executive Directors and are often more visible and thus is a cohort that warrants attention in its own right across OED offices. Individual offices will address this issue in ways appropriate to their constituency. Given small numbers of staff in individual offices, individual offices may for example choose to look at their total number of Senior Advisors and Advisors across years in considering their own progress.



INTERNATIONAL MONETARY FUND



Press Release No. 16/335
FOR IMMEDIATE RELEASE
July 12, 2016

International Monetary Fund
Washington, D.C. 20431 USA

IMF Executive Board's First Report to the Board of Governors on Gender Diversity in the Executive Board

The Executive Board of the International Monetary Fund (IMF) is calling on Fund member countries to take gender diversity into consideration when nominating candidates for the position of Executive Directors and their staff.

The International Monetary and Financial Committee statement in April 2016 reiterated the importance of promoting gender diversity in the Executive Board. In the Executive Board's first report on gender diversity to the IMF's highest decision-making body, the Board of Governors, Executive Directors noted that improving gender diversity in the Executive Board would lead to a more effective IMF. The Board pointed to growing evidence that organizations governed by diverse boards are more successful. Directors also emphasized that staff diversity and inclusion enhance the quality of the Fund's work and engagement with member countries. In addition, the Board has supported policy measures taken by member nations to promote economic inclusion and gender inclusion where it is macro-critical for achieving sustained economic growth.

Under the Fund's legal framework, Fund governors elect Executive Directors. Currently, there is one woman out of 24 Directors—the same average over the last ten years. To improve this situation, Executive Directors plan to seek better diversity of Senior Advisors and Advisors, which will enhance the quality of the Board's engagement and contribute to the future pool from which to appoint future Executive Directors. They will also raise the issue of gender diversity with their constituencies and encourage female candidates to seek positions in their offices. Directors will also set nonbinding and collective goals to improve gender diversity in advisor positions.

Executive Directors said they are committed to improving gender diversity in the Executive Board and will work with Fund Governors and members to achieve that goal.