IEO
Independent Evaluation Office
of the International Monetary Fund

BACKGROUND PAPER

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The IMF's Institutional Response to the Pandemic

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The IMF's Institutional Response to the Pandemic

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ABBREVIATIONS

AFR	African Department (IMF)
CCRT	Catastrophe Containment and Relief Trust
CD	Capacity Development
CF	Carry Forward
CMT	Crisis Management Team (IMF)
COM	Communications Department (IMF)
CSF	Corporate Services and Facilities
ED	Executive Director
FAD	Fiscal Affairs Department (IMF)
FIN	Finance Department (IMF)
FSAP	Financial Sector Assessment Program
FTE	Full-Time Equivalent (IMF)
HR	Human Resources
HRD	Human Resources Department (IMF)
HQ	IMF Headquarters
ICD	Institute for Capacity Development (IMF)
OBP	Office of Budget and Planning (IMF)
RCDC	Regional Capacity Development Center (IMF)
RCF	Rapid Credit Facility
RFI	Rapid Financing Instrument
SEC	Secretary's Department (IMF)
SHRP	Senior Human Resource Partner
SPR	Strategy, Policy, & Review Department (IMF)
STA	Statistics Department (IMF)
UCT	Upper Credit Tranche
WHO	World Health Organization

EXECUTIVE SUMMARY

The COVID-19 crisis amply demonstrated the Fund's remarkable adaptability. The COVID-19 pandemic represented a "crisis like no other." Faced with it, the Board, management, and staff adapted literally overnight to the need to work in an entirely virtual environment. Moreover, a number of HR and budgetary initiatives were quickly adopted to support the Fund's crisis response. The purpose of this paper is not to second-guess decisions made in very difficult circumstances but to draw lessons from the experience that could help the IMF do even better in the future.

Human resource strengths and challenges. The pandemic, in many ways, showcased several of the IMF's institutional strengths. Its dedicated workforce went above and beyond the call of duty, logging substantial overtime and foregoing leave, to help member countries navigate the crisis. The pandemic, however, also illuminated several of the IMF's institutional weaknesses in managing human capital during a crisis, pointing to the need to streamline recruitment procedures and to shift, especially during crises, to a more concerted top-down driven internal skill-based labor market system to better address the crisis staffing needs without implying heavy stress on staff members. Such a mechanism, which ideally should be worked out during normal times and not amid a crisis, could also buttress the IMF's attractiveness as an employer.

Budget flexibilities and constraints. The crisis also required substantial additional spending, including for a temporary expansion of the workforce. The budget response was managed nimbly, without requiring any ad hoc increases in the budget envelope, thanks to quick reprioritization and use of available buffers in the budgetary system. However, relying primarily on resources from an emergency buffer and the carry forward (CF) of previously unspent funds for crisis-related needs creates a persistent risk during crisis periods of a situation where additional funds are needed but the emergency buffer and CF resources are depleted or exhausted.

Logistical strengths and challenges. By repurposing overnight a small team traditionally tasked with mitigating isolated adverse events at IMF Headquarters (HQ) or in the field, and by leveraging advice from the World Bank Health and Safety Directorate, the Fund managed to take rapid health and safety decisions about access to Fund premises and repatriation of staff in the field to keep the Fund business ongoing. The same crisis team also developed a two-year plan for a gradual return to work at HQ. A robust communication campaign followed these decisions to ensure personnel were aware of the upcoming changes. Given its size and competencies, however, the Fund's Crisis Management Team (CMT) on occasions felt overwhelmed relative to the tasks at hand, and its involvement of staff and the Board in high-impact decision was infrequent, especially at the height of the crisis. In addition, interviews and surveys suggest that numerous logistical decisions taken by the team could have been more flexible. For example, the decision to close all Fund offices entirely meant that some employees who could have benefitted from a workspace outside their home (and were willing to bear the health risks) were unable to do so. Equally, when capacity limits for building occupancy were gradually lifted, the Fund's reentry policies were more restrictive than those adopted by other international organizations in the United States and around the world of comparable status and size.

If acted upon, lessons from the crisis can improve the Fund's ability to respond to future global crises and strengthen institutional processes even at normal times. This paper identified several potential areas for improvement based on experience gathered from the recent crisis. These include:

On the human resource management front:

- *Developing a dedicated mechanism for the allocation of staff in a crisis.* A more proactive, top-down approach for staff allocation during a crisis than the ones utilized in 2020 could both strengthen the Fund's ability to meet crisis needs and help contain heavy pressures on Fund staff during extraordinary times. This could require some temporary modifications to the usual demand-driven approach to staff allocation, to increase further some departments' ability to hire and limit losses from departures to other internal assignments.

- *Buttressing mechanisms to connect people-to-people and people-to-work and simplify hiring*. Making the Fund's current recruitment function under Workday mandatory and upgrading it with more granular information on both the fungible and specialized staff's live skills could help deploy critically needed resources quickly during a crisis as well as facilitate job matching in normal times. In parallel, internal and external hiring processes could be simplified and road-tested for speed and safety standards. Lastly, more HR policies and procedures could be amended to make the hiring process more efficient.

On the budgetary front:

- *Increasing budget flexibility during crises.* A mechanism to provide greater budget flexibility to respond to exceptional short-term fluctuations, that still respects a given medium-term budget envelope, could minimize the risk of budgets falling short of crisis needs at extraordinary times when uncertainty is high. In line with existing proposals by staff, this could be specified as a mechanism that allows, on an exceptional basis and with prior notification to the Board, within-year spending above the budgeted level by up to a fixed percentage (IMF, 2021f).

On the logistical front:

- *Strengthening the Fund's CMT capacity*. Reinforcing the CMT's capacity, including competencies in the areas of health, safety, logistics and communications, could buttress the Fund's ability to provide a timely and expert logistical response in future crises including determining potential risks and minimizing the fallout on the Fund's operational space and on staff's physical and psychological health. It could be helpful to establish guidelines that specify when and how such a body should consult the Board and staff with respect to high-impact, large scale, work-related logistical decisions with major implications for the functioning of the Board and the work environment facing staff.

- *Exchanging knowledge and converging to best practices*. More frequent and comprehensive exchanges with other international organizations about successful business and corporate logistical approaches during crises could help the Fund learn from others' and accelerate adoption of international best practices.

Protocol for corporate response in case of a global crisis. Developing a global crisis protocol for the institutional response to deploy in case of a global crisis with clear, easy-to-tailor steps and that draws together several of these measures could support a strong and coherent early response in future crises. Such a protocol could include the activation of a centralized mechanism for redeployment of staff resources; a framework for a short-term temporary budget increase; and provision of increased resources for the CMT. This protocol could be part of a larger umbrella crisis mechanism which simultaneously deploys other emergency measures on the lending, surveillance, and policy advice front as discussed in the recommendations contained in the main paper of this evaluation (IEO, 2023).

I. INTRODUCTION

1. **The outbreak of the COVID-19 pandemic in 2020 prompted sudden and drastic changes in the Fund's operations and working environment.**[1] These included:

- **A massive remote-work experiment.** On March 10, 2020, as the virus' spread became mainstream news, the IMF's Crisis Management Team (CMT) briefed the Executive Board about the COVID-19 health emergency. The next day, the World Health Organization (WHO) declared COVID-19 a pandemic and the IMF announced a Fund-wide remote work exercise on Friday, March 13. By the end of that same day, the IMF decided to extend remote work and move all its operations to a virtual environment until further notice,[2] with almost all staff working from home, mission travel curtailed completely, and the Fund's key governance bodies—the IMF's Executive Board and its Board of Governors—also moving to a virtual format. The 2020 IMF-World Bank Spring Meetings also were reprogrammed to follow a virtual format along with all other events.

- **A rapid reprioritization of Fund's agenda and work.** In conjunction with the new logistical arrangements, the Fund's work program for FY2021 shifted to crisis response, in line with the global health emergency and the ensuing priorities set by Fund management in the April 2020 Global Policy Agenda (GPA) (IMF, 2020f).[3] This entailed a pivot of the Fund's operational focus with immediate effect to provide accelerated financing for members' urgent balance-of-payments needs, including through the Fund's rapid-disbursing lending vehicles—the Rapid Credit Facility (RCF) and the Rapid Financing Instrument (RFI)—and by augmenting existing Upper Credit Tranche (UCT) arrangements.[4] Key measures to free resources and meet crisis-related priorities included a suspension of work on Article IV consultations and a 12-month extension of Article IV and mandatory financial stability assessment cycles, refocusing capacity development (CD) on crisis-related issues, suspending non-crisis analytical and policy work (for example, the Comprehensive Surveillance Review and Financial Sector Assessment Program (FSAP) Review), postponing conferences, and adopting streamlined processes, including for approval of emergency financing cases. As global conditions began to improve in 2021, the Fund's work supported members in transitioning towards a durable exit from the crisis, and in addressing longer-term challenges consistent with the October 2020 GPA (IMF, 2020o).

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[1] The Main Paper in this evaluation reviews these issues and refers to specific evaluation background papers that analyze them in detail.

[2] The first "official" day of the fully virtual policy was Monday, March 16 even though the Fund operated fully virtual starting on March 13.

[3] FY2021 covers the period from May 1, 2020, through April 30, 2021.

[4] As of April 13, 2020, 102 countries had requested or enquired about access to the Fund's emergency financing facilities.

- **Human resource initiatives to manage staffing needs and alleviate pressures.** The moment the crisis began, member-facing departments and others with crisis-related work pressures started experiencing a sharp increase in staff overtime—often aggravated by the shift to working-from-home and differences in time zones during virtual meetings—and a decline in leave usage. Operational teams ramped up their work to support the shift to remote work arrangements and the health and safety related needs for staff stemming from the crisis. Multiple Fund initiatives were put in place to address crisis-related staffing needs and alleviate these pressures. Along with an increase in the full-time equivalent (FTE) headcount to front-line departments, steps to reinforce staffing in the context of the crisis included temporary interdepartmental resource sharing, rehiring of Fund retirees, an extension of expiring contractual appointments, better sharing of new hires across departments, and expedited hiring of staff though the mid-career pipeline.

- **Immediate budgetary steps to address crisis needs.** The Fund moved quickly to review the budgetary needs implied by the pandemic response and provide resources to alleviate pressures. Initial crisis needs were met through a combination of measures including reprioritization, deferral of non-crisis work and streamlining of procedures. Savings from travel and deferred activities, contingencies, as well as additional carry forward (CF) resources authorized in the FY2021 budget process, were deployed over the course of the year to support a temporary ramp-up in staffing and address other crisis-related needs. Additional resources were provided via the increase in the FY2021 CF limit from 3 to 5 percent, approved by the Board in April 2020, and existing contingencies.

2. **Focus.** This paper examines the Fund's institutional response to the pandemic over the period January 2020–December 2021, including the Fund's emergency logistical response and the steps it took to adapt its staffing and budgetary resources to provide the rapid and far-ranging support to countries. The paper also draws some early lessons from the experience that may be useful in future crises.

3. **Sources.** The analysis is based on public documents and interviews with IMF staff involved in HR, budgetary, and emergency logistical decisions during 2020–21. Internal documents and data provided by the CMT, Human Resources Department (HRD), Office of Budget and Planning (OBP), and Secretary's Department (SEC) also were consulted.

4. **Structure of the paper.** The paper is organized as follows. Section II discusses institutional initiatives to address and meet crisis-related staffing needs and pressures, as well as the opportunities and challenges presented by them. Section III assesses the IMF's efforts to address crisis-related budgetary needs as well as the opportunities and challenges they posed. Section IV reviews the IMF's emergency logistical response, including the shift to a virtual work environment and steps taken for a gradual normalization post-crisis. Section V concludes with lessons learned and suggestions to help deal with future crises.

II. HUMAN RESOURCE RESPONSE

5. **A crisis like no other.** Throughout its history, the Fund has been faced by numerous global shocks and crises that have required the institution to ramp up and deploy staff to meet new needs.[5] Experience from these past crisis episodes reveals that resource implications during a crisis depend on the duration, immediate severity, and breadth of the crisis itself. While the likely duration of the COVID-19 pandemic clearly was unknown in the early days of March 2020, it was clear from the start that the crisis would be unique both in severity and geographical extent.

A. Reallocation of Staff

6. **Off-the-bat measures.** When the crisis broke out, substantial emerging demands on staff were met initially through overtime and a temporary reallocation of staff within departments in line with the Fund's overall strategy for work reprioritization. In area departments, Senior Human Resource Partners (SHRPs) and division chiefs met frequently to map and address areas of excess demand and supply of staff. Later, staff working in less critical areas were asked to volunteer for one-off assignments with teams more affected by the pandemic. Meanwhile, functional departments with traditionally heavy CD activity, like the Fiscal Affairs Department (FAD), responded by redeploying specialists internally from CD projects to help country teams meet Fund lending requests.

7. **Informal volunteered deployments.** While area departments and certain functional departments, like FAD and the Strategy, Policy, & Review Department (SPR), were facing increasing demands on their time, other functional departments, namely the Institute for Capacity Development (ICD) and the Statistics Department (STA), found themselves with reduced workloads due to the unique nature of the crisis and the inability to travel.[6] Eager to help their co-workers and utilize their skills, a significant number of staff in ICD and STA volunteered to support crisis work in other departments. These informal "donations" of staff time started quickly. The SHRPs in ICD and STA reached out to fellow SHRPs in area departments and other functional departments to determine where resources would be useful and what skills could be used. The SHRPs concurrently reached out to internal division chiefs to determine what skills were available and where individuals were interested in working. In effect, the SHRPs became matchmakers between ICD, STA, and the other departments to arrange the voluntary assignment of staff to specific teams in front-line departments.

8. **Turnaround.** By mid-April 2020, over 50 ICD and 10 STA staff were reallocated on an informal and temporary basis to provide direct support primarily to teams in area departments, the Research Department (RES), and SPR (Table 1). This group largely included economists and

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[5] For example, after the collapse of the Soviet Union in 1991, Asia crisis in 1998, Latin America debt crisis in 2001, and Global Financial crisis in 2008.

[6] Although ICD and STA as a whole experienced reduced workloads, certain divisions within these departments remained very busy during the early stages of the pandemic.

senior economists and was supplemented by a few research assistants as well as technical assistance officers from the Regional Capacity Development Centers (RCDCs). These crisis assignments typically lasted for several weeks and required approximately half of the involved staff's time. Although the turnaround was relatively fast judged by non-crisis standards, HRD staff believe a considerably faster turnaround might have been possible if the many steps needed to comply with internal mobility processes, that typically require around three weeks to complete, had been streamlined to account for the fact that the Fund was in crisis mode.

Table 1. Volunteers for Crisis Assignments

Receiving Department	ICD Volunteers	STA Volunteers	Resource Sharing Exchange
AFR	6	2	0
APD	16	1	0
EUR	5	0	2
MCD	3	3	0
WHD	9	6	1
FIN	1	1	0
RES	10	0	0
SEC	1	0	0
SPR	9	0	0
Total	60	13	3

Source: IMF (2021c).
Note: Based on departmental submissions, IMF staff calculations.

9. **A more structured scheme.** Building on the success of this informal, interdepartmental reallocation of staff, HRD quickly developed a way to open the initial ICD/STA reallocation scheme up formally to all staff in a structured and efficient manner. The *Resource Sharing Exchange* website was launched in April 2020 as a platform to match staff and contractual employees desiring to volunteer their time with departments and teams in need of temporary resources. The *Resource Sharing Exchange* proved easy to use. However, by the time it was fully implemented, most volunteers already had had been placed in assignments. Thus, only three crisis assignments were filled via the exchange (IMF, 2021c).

B. Temporary Workforce Increase

10. **Recruitment plans.** While initial crisis needs were largely met through extraordinary overtime and informal volunteer arrangements, both within and between departments, it became clear that addressing the sharply increased workload from crisis needs would require more sustained staffing support for front-line departments. Thus, the IMF undertook several initiatives to increase temporarily the size of its workforce.

11. **Rehiring.** One of the first initiatives was allowing the rehiring of IMF retirees on contractual appointments. Under normal circumstances, IMF retirees cannot be rehired as contractual employees for substantially the same position, if they're currently receiving separation

payments, or until they have completed a "cooling-off" period, if they received a lump sum upon separation.[7] Allowing their rehiring enabled the IMF to tap into a resource pool with institutional experience and provide for a potentially rapid scaling up of the Fund's capability (IMF, 2021c). However, in practice, only five Fund retirees were rehired on such contracts (IMF, 2020q).

12. **Contract extensions.** Another early initiative was the extension of contractual employees reaching the four-year rule between April and June 2020. Under normal circumstances, the maximum term of employment for contractual research officers and assistants is four years. However, given travel restrictions at the time, it was decided on humanitarian grounds that contractual employees reaching the end of their term during this period could have their contracts extended for up to six months. Subsequently, this initiative was expanded to include contractual employees reaching the four-year rule between July and September 2020 and ultimately October and December 2020. While the initiative was undertaken on humanitarian grounds, it enabled the IMF to tap into another resource pool with institutional experience (IMF, 2020e). Ultimately, 48 contractual employees had their contracts extended (IMF, 2020q).

13. **Increase in headcount.** The most impactful HR initiative was the temporary increase in authorized head count. The authorized head count was raised by 52 FTE staff in June 2020 and further in October 2020 to provide a total of 128 additional staff positions on a temporary basis to meet crisis-related needs. The total was raised once more in April 2021 to provide a total of 135 additional staff positions, of which 85 were for fungible economists (46 for area departments; see Table 2).

14. **Slow progress in hiring.** Unfortunately, the progress in new hiring was quite slow (see Table 2). Only 32 additional economist staff were hired on a net basis in the six months through end-September 2020 and only 46 additional economist staff were hired on a net basis by end-March 2021. Moreover, front-line departments in desperate need of additional staff, like the African Department (AFR) and SPR (which received the largest allocation of crisis positions), did not manage to increase their number of economist staff at all in the six months through end-September 2020. Interviews with HRD staff indicated that this slow pace reflects the Fund's highly cumbersome hiring process which typically requires the formal completion of many administrative steps, even though the Fund maintains a pipeline of vetted applicants available for midcareer hire.[8]

[7] The "cooling off" period is "equal to the number of months of salary that they were paid" (IMF, 2022b).

[8] The midcareer pipeline comprised 26 candidates at the end of 2019 (IMF, 2020b).

Table 2. Total Crisis Allocation and Net Headcount Changes

	Total Crisis Allocation	End-2020Q2 vs. End-2020Q1	End-2020Q3 vs. End-2020Q2	End-2021Q1 vs. End-2020Q1	End-2021Q4 vs. End-2020Q1
AFR	18	0	-1	9	19
APD	7	2	1	4	5
EUR	5	1	-4	1	-5
MCD	6	4	-4	11	17
WHD	10	2	3	3	4
SPR	19	-6	6	0	6
FAD	14	4	3	8	11
FIN	14	-2	3	3	7
All IMF	135	12	20	46	104

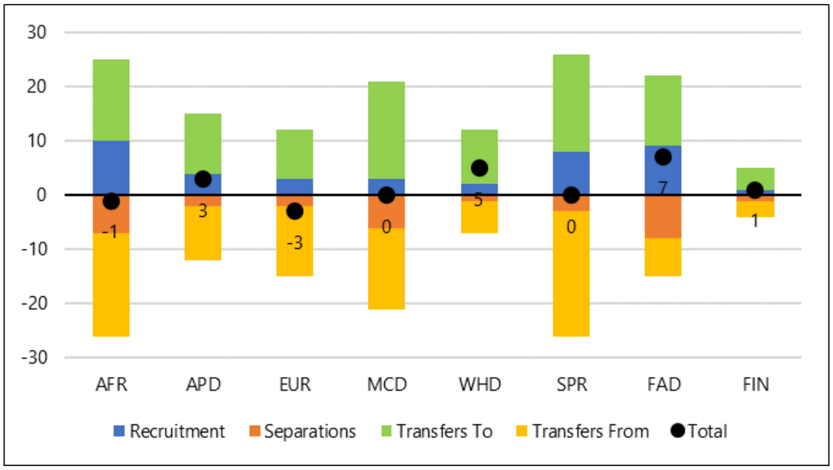
Sources: Total Crisis Allocation from Table 6 (IMF, 2021d). Net headcount changes by department derived from HRD data on recruitment, separations, and interdepartmental transfers of staff in the Economist career stream.

15. **Market-driven process.** Alongside the complications from a burdensome recruitment process and the lack of an up-to-date map of staff's individual skills, this result reflected, in part, a decision to maintain the usual market-driven staff allocation process rather than override it to ensure that departments most in need obtained additional staff. More specifically, there was a strong departmental preference for hiring internal rather than external candidates, since new hires from the latter group typically take more time and effort to get up to speed. This created somewhat of a "musical chairs" effect, where the specific staff member in various seats changed but the total number remained the same.[9] This effect is illustrated in Figure 1, which shows gross staffing flows during the first six months of the pandemic.

16. **Transfers overshadowed recruitments.** As illustrated in Figure 1, the number of interdepartmental transfers dwarfed the number of external recruits during the early stages of the pandemic. The dispersion of internal transfers across departments also was a concern. Departments like AFR and SPR experienced particularly heavy staff losses during the early hiring periods and thus had to rely more on new hires from the midcareer pipeline. These departments were thus not able to raise their net headcount and disproportionately bore the responsibility for onboarding new staff and ensuring progress on institutional diversity goals (IMF, 2021c). Moreover, these staff shortages forced departments into tough decisions regarding prioritization across work streams.

[9] Although this form of musical chairs didn't help reduce work pressures, it did positively jumpstart a flow of interdepartmental mobility that had become stagnant.

Figure 1. IMF Staff Flows, End-2020Q1 to End-2020Q3
(Number of staff)



Source: IEO staff calculations using HRD data on recruitment, separations, and interdepartmental transfers of staff in the Economist career stream.

17. **Midcareer pipeline.** HRD was cognizant of these recruitment issues and took steps to improve the process. First, HRD accelerated replenishment of the midcareer pipeline, which largely had been exhausted by the first round of crisis hiring.[10] This replenishment, the single largest at the time, was concluded in September 2020 with 38 additional midcareer candidates (IMF, 2021c). According to staff, the replenishment speed as well as the quality and diversity of new candidates was excellent. The midcareer pipeline was replenished again in April 2021, after the second round of crisis hiring, this time with 53 midcareer candidates (IMF, 2022a).

18. **Structured recruitment framework.** Second, HRD developed a structured recruitment framework to expedite the process. One aspect of this framework, designed to facilitate a broader distribution of external hires across departments, involved departments agreeing to hire a minimum percentage of crisis positions from the midcareer pipeline, i.e., 25–50 percent (IMF, 2021c). Advertising for some crisis positions also was moved to an external website to prevent internal candidates from applying. Other aspects of this framework were designed to speed up internal recruitment, recognizing the long lags required by compliance with existing internal recruitment processes. For example, hiring managers could circumvent the normal process and make an offer immediately if they were part of the midcareer panel interview for an individual.[11]

19. **Workday's basic recruitment function.** Besides the lengthy administrative protocols presiding over intra- and inter-departmental staff movements, some interviewed HRD staff attribute the slow and quantitatively unsatisfactory redeployment of Fund staff during the crisis

[10] The midcareer pipeline comprised 26 candidates at the end of 2019.

[11] The panel interview is one step in the selection process for experienced economists to join the midcareer program. Panels consist of three Fund economists from different departments and a Human Resources Officer, who assess candidates' responses to three technical questions and one behavioral question.

to the Fund's lack of a system to identify staff by skills quickly and dependably. Workday—the Fund's novel human capital management Cloud-based system—is a simple repository of job market ads, presently offering Fund recruiters only a basic recruitment function which does not provide details about a job candidate's skill set nor specify their working and/or functional experience.[12] This is limiting, especially during a crisis when the Fund needs to move fast and quickly identify staff with a specific set of capabilities and experiences (for example, emergency or program financing, regional knowledge, or languages) for strategic assignments or assignment to more durable crisis positions. Because of this shortcoming, in 2020, at the height of the demand frenzy for Fund financing, division chiefs seeking critical human resources personally had to go through multiple interviews to find a match for their crisis positions. This took time and energy at a moment when both these were overly stretched. Setting up Workday (or other systems) more expeditiously than under current plans to enable the creation of a skill-based labor market could facilitate job matching both at normal and crisis times, HRD staff suggests.

20. **Uncertainty.** Beyond delays due to the market-driven process and limits on information of staff skills, the hiring process was held up to some extent by uncertainty over the likely duration of the crisis and budgeting of crisis positions. When the second, fuller round of crisis positions was allocated in October 2020, it was unclear whether a budget augmentation for the following year would be approved, if needed. Staff was warned, at the time, that some approved staffing authorization could be clawed back in such a scenario or that the additional expenses could require strict limits on travel and events (which were expected to be feasible) (IMF, 2020p). Thus, some departments chose a slower recruitment process while waiting for greater visibility about the nature of the pandemic and its budgetary impact.

C. Lessons Learned

21. **Crises and work pressures.** The COVID-19 pandemic, like prior post-shock and crisis periods, entailed substantial implications for Fund staff. Staff surveys conducted by CMT in April, May, and December 2020 signaled heightened risks to staff sentiment as well as work pressures, particularly for staff with dependents. Figure 2 shows that around 45 percent of Fund staff with dependents and over 30 percent of Fund staff without dependents consistently found it difficult to balance work and life pressures during the initial phase of the crisis. Moreover, the spread between respondents with and without dependents didn't improve much over the course of 2020 despite efforts to support these individuals such as a one-time allowance per child for education support.[13] These struggles stemmed, at least in part, from an increase in overtime

[12] Workday software offers considerably more in terms of potential functionalities with regard to skill identification, but these functionalities are currently not activated at the Fund.

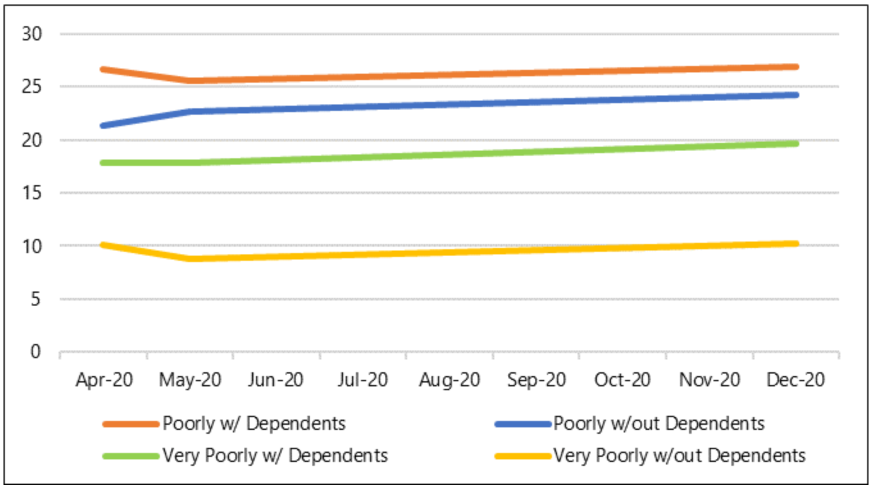
[13] Specifically, staff members at grades A1 to A14 (including long-term HQ-based contractual employees) with children aged 5 to 14 as of October 1, 2020, received a one-time allowance of $1,000 per eligible child and those with children determined by HRD to be disabled or with special needs (who are enrolled in an Individualized Education Program) as of October 1, 2020, received a one-time allowance of $3,000 per eligible child.

hours due to the heavier workload. Figure 3a demonstrates that overtime hours per FTE in CY2020 increased by 30 percent over CY2019, with a peak in the second quarter of CY2020. Overtime hours have declined since then but remained more than 17 percent above the CY2019 rates in CY2021. The increase in overtime hours was pronounced particularly in area and functional non-CD departments, which comprises the Communications Departments (COM), the Finance Department (FIN), RES, and SPR (Figure 3b).

Figure 2. Staff Sentiment Surveys, 2020

Ratings on work-life balance during the telework phase

(In percent)

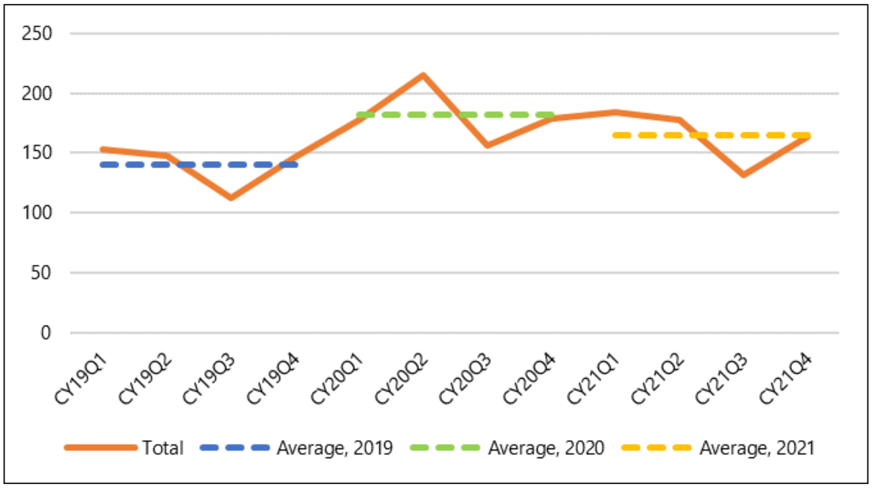


Source: IEO staff calculations using CMT data.

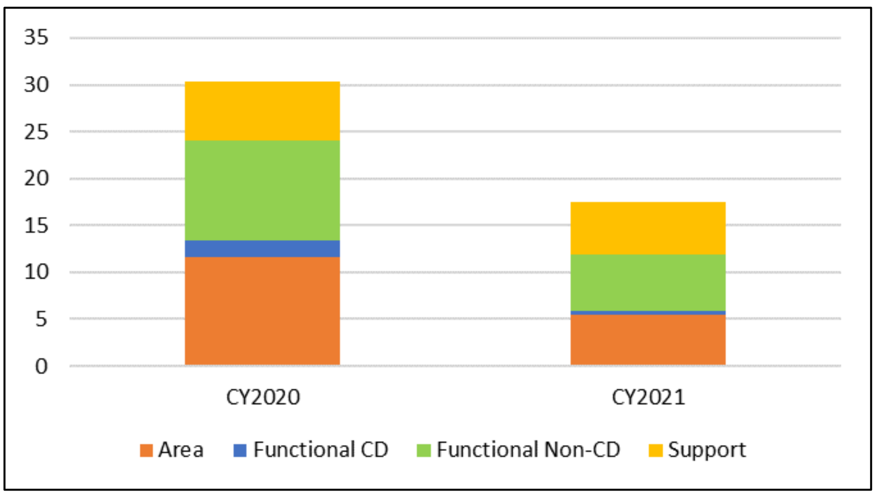
22. **IEO Staff Survey.** Results from an independent IEO staff survey, conducted as part of this evaluation, corroborate these findings. More specifically, 62 percent of respondents felt that country teams were inadequately staffed to face extraordinary demands both internally, from functional departments (86 percent of respondents felt that requests from functional departments were greater than normal during the crisis), and externally, from members (Koh and Wojnilower, 2023). To some extent, such pressures were an inevitable consequence of an extraordinary set of circumstances, including the sudden shift to work from home which contributed to high levels of staff stress, particularly for staff with young children. For example, the IEO staff survey revealed that 93 percent of respondents felt that significant additional overtime hours, beyond the pre-COVID norm, were required to complete their tasks during the crisis. Related, 82 percent of respondents personally felt extraordinary stress because of the very heavy work pressures during the evaluation period; and 81 percent of respondents felt their work-life balance was hindered by time differences with counterpart country officials. Yet only 43 percent of respondents felt that IMF HR policies and practices were adjusted in meaningful ways to help reduce excessive strains on work-life balance (Koh and Wojnilower, 2023). Thus, the IMF could do more to support its workforce and reduce the burden of workload adjustment on staff during crises.

Figure 3. Increasing Overtime

A. Trend in Overtime, 2019–21
(Hours per FTE)



B. Contribution to Increase in Overtime
(Percent change over CY2019)



Source: IEO staff calculations using OBP data.

23. **Extraordinary measures not enough.** As described in the previous subsections, to alleviate some of the crisis work pressures, the Executive Board, management, and staff went to extraordinary lengths. Individuals volunteered their time both within and across departments at previously unconceived levels. Numerous HR policies were adjusted to enhance staff working arrangements.[14] And the IMF authorized a substantial, albeit temporary, increase in staff positions. However, despite these initiatives, staffing needs and pressures remained a concern

[14] While this paper focuses on HR policies affecting the size and allocation of the IMF's workforce, it's important to note that HRD undertook many other substantive and impactful changes across policy and process areas that either freed time and resources or provided support to employees and their families. A more comprehensive view of these actions is provided in Appendix I.

throughout the evaluation period. Leave usage also remains relatively low and overtime relatively high even 2½ years after the pandemic was first declared.[15] While a further increase in staff positions could have helped alleviate some of the pressures, it should be recognized that increasing head count is not a panacea, given that recruitment must inevitably be careful to maintain quality and that much IMF work relies on experienced staff and country knowledge. At the same time, the crisis showed that the process of shifting staff to departments with the greatest need could be handled better in the future and with less stress on individuals—a finding confirmed by a majority of respondents to the IEO staff survey (Koh and Wojnilower, 2023).[16]

24. **The case for a more proactive top-down emergency approach.** The IMF's habit of relying largely on the discretionary effort of its workforce to handle crises is not new. This effort depends on the high commitment, professionalism, and adaptability of Fund staff, but, nevertheless, comes at the expense of individual's well-being. Thus, a strong case can be made for a more proactive, top-down approach in the height of an emergency that could both strengthen the Fund's ability to meet extraordinary needs and help to contain heavy pressures on Fund staff. For example, a concerted mechanism to ensure that HR resources are steered effectively to departments where they are most needed could spread the burden better and mitigate stress on staff. This could require some temporary modification to the usual demand-driven approach to staff allocation, to increase further some departments' ability to hire and limit losses from departures to other internal assignments.

25. **Initiatives to strengthen staff reallocation process.** Meanwhile, clearer guidance on which work streams to prioritize and which to cut could make the workload more manageable. Developing tools to map *who knows what* at the Fund and connect people-to-people and people-to-work based on a live skills' catalogue for the fungible and specialized workforce, could contribute to the creation of an internal skill-based labor market that, in a crisis, could help deploy critically needed resources where they are needed fast.[17] This could be done by activating the existing, potential functionalities of Workday or by acquiring off-the-shelf technologies that use "matching" software with machine learning to identify and connect hidden knowledge, which are widely employed in both large private and public corporations like the Fund. Hard or soft validation by managers and SHRPs as well as mechanisms to update the catalogue of staff skills could ensure that the list remains current, is reliable, and embeds direct knowledge of

[15] As of January 2023, leave usage is back to pre-pandemic levels. Meanwhile, overtime levels have stabilized with heterogeneity across and within departments.

[16] Only 45 percent of respondents felt that the process of shifting staff to departments and countries with the greatest need was handled effectively. Meanwhile, only 35 percent of respondents felt that the process of shifting staff to departments and countries with the greatest need was handled without excessive stress on individuals.

[17] With the implementation of Workday, staff have been encouraged to complete their Career Profiles (the source for the Talent Card). Completion of the Career Profile, however, remains voluntary and the searchable selected profile fields of staff (who have already updated the Career Profile) could be expanded and made more granular and could include specialized career streams. Career Profiles also rely uniquely on self-reporting and could be integrated by hard data and ideally soft validation by managers and SHRPs.

supervisors and peers. Internal and external hiring processes also could be simplified and road-tested for speed and safety standards. Lastly, more HR policies and procedures could be amended to make the hiring process more efficient.

III. BUDGETARY RESPONSE

26. **Crisis budgetary impact.** An extraordinary demand for IMF lending created substantial work pressures that ultimately would require additional budgetary resources to address. The crisis also had a major impact on the IMF's budgetary resources even though the sudden halt to travel and events opened space in the budget to fulfill other needs. The Board, management, and staff therefore faced the challenge of adapting the budget to meet crisis-related demands under particularly uncertain circumstances.

A. FY2020 Budget Updates and Underruns

27. **Pre-crisis existing mechanisms.** From FY2012 to FY2020, the IMF maintained a flat structural budget in real terms. Enhanced budget procedures helped increase utilization of the IMF's administrative budget to near 100 percent. Year-to-year shifts in need for budget resources were largely handled through a provision to carry forward a portion of unspent resources into the following year (IMF, 2020j). The CF limit has been adjusted over time, rising to 6 percent following the global financial crisis and returning to 3 percent in FY2012 (IMF, 2021d).

28. **Emerging knowledge of pandemic budget implications.** In early March 2020, staff held an informal meeting with the Board to brief them on preliminary proposals for the FY2021–FY2023 medium-term budget (IMF, 2020a). The FY2021 budget proposal maintained the flat resource envelope and did not mention the possible implications of the COVID-19 pandemic on Fund resources, as this seemed contained in Asia at the time. The rapid and wide spread of COVID-19 became clearer during the following few weeks, forcing staff to update their preliminary proposals by late-March 2020 (IMF, 2020c). The updated paper noted that while the budgetary impact of the COVID-19 outbreak was difficult to forecast, a sustained crisis could require "a more significant delay of non-urgent work and, if other measures are exhausted, a call for additional resources."

29. **April 2020 staff proposal.** By Fall 2020, the impact of the COVID-19 crisis on the FY2020 budget outturn was clearer. Staff submitted an initial paper to the Board detailing supplementary information and revised proposed decisions for the FY2021 budget to help meet the extraordinary needs of the crisis. This paper noted an estimated "underspend in FY2020 of about $10 million (relative to the expectation of full execution prior to the crisis), driven largely by reduced travel and the shift to virtual Spring Meetings" (IMF, 2020g).[18] In addition, it highlighted that streamlining and reprioritization opportunities were limited following substantial efforts in recent years.

[18] The actual, overall underspend was $8 million (IMF, 2020m).

30. **A two-stage solution.** A two-stage strategy was proposed to address the extraordinary and likely sustained crisis-related demands, including a higher CF ceiling plus a structural budget augmentation. The first stage included "an increase in the carry forward ceiling from 3 percent to 5 percent of the Fund's general administrative expenses, on an exceptional basis for the next three years" (IMF, 2020g). This increase would allow the IMF to use the estimated FY2020 underspend towards increase demands in FY2021. When combined with other existing buffers, i.e., a contingency reserve of $8 million, and estimated travel savings of $10–12 million, these were judged likely to be sufficient to meet emerging needs during the initial phases of the pandemic response. However, these resources were assessed as likely insufficient to meet anticipated needs stemming from the crisis over the entirety of FY2021 as well as into FY2022 and potentially FY2023. The second stage therefore would entail "an exceptional and temporary increase in structural resources" (IMF, 2020g). A more formal proposal for this structural augmentation was expected to be provided in a few months as the crisis impact became clearer.

B. FY2021 Budget Reallocation and FY2022 Augmentation Proposal

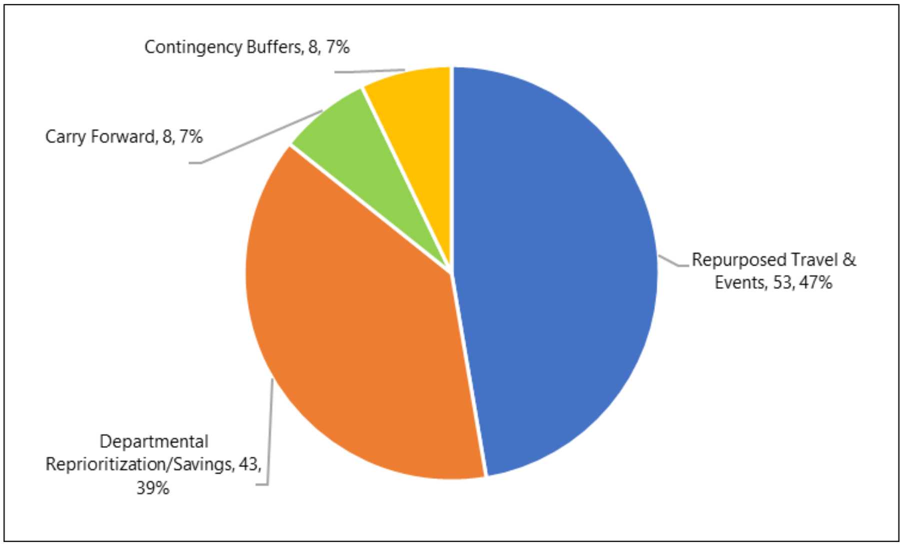
31. **Resource reallocation.** With the FY2021 budget approved, including the increased CF limit, staff turned their attention to addressing extraordinary demands on front-line departments. An "immediate needs" round was started in May 2020 to allocate approximately $30 million in available resources for the hiring of additional staff and contractuals (IMF, 2020i). The end-year FY2020 Accountability Framework (AF) then was repurposed to determine each department's updated budgetary needs and lay the groundwork for an initial allocation of crisis positions as well as a supplementary budget request, to be discussed with the Board later in the year (IMF, 2020h).

32. **Budget allocations for crisis positions.** As part of the repurposed FY2020 AF, departments requested an additional 101 FTE staff and 43 contractual positions that, in total, would have cost approximately $48 million (IMF, 2020k). Given that only about $30 million was available under the FY2021 budget exercise, OBP proposed allocations that prioritized direct country support for intensified program engagement as well as policy and analytical work on crisis issues, among other factors. The Board approved the proposal in June 2020, which provided for an additional 52 FTE staff and 23 contractual positions. While some departments had all or most of their request fulfilled, others only received a small percentage of the positions requested, and more budgeted FTE ultimately did not help AFR and SPR in the early phases of the pandemic.

33. **Proposed supplemental budget request.** The repurposed FY2020 AF also provided the basis for the second stage of staff's strategy, i.e., a proposed supplemental budget request. In October 2020, OBP led an informal Board discussion on the FY2020 budget outturn and FY2021–FY2022 budget strategy (IMF, 2020m). Staff estimated that gross crisis-related resource needs of $112 million—including a further sizeable increase in staffing and a return to 50 percent travel and events in Q3 and Q4 of FY2021—could be met effectively through $43 million in savings from reprioritization of work streams and $69 million of available resources from existing

buffers as well as reallocation of travel and events budgets (Figure 4). Thus, additional budgetary resources would not be needed for FY2021, although, given these assumptions and the accompanying depletion of buffers, staff expressed the likely need for a temporary increase in budgetary use of resources in FY2022 above the flat real budget ceiling.

Figure 4. FY2021 Crisis Needs, Source of Funding
(In USD millions, percent)



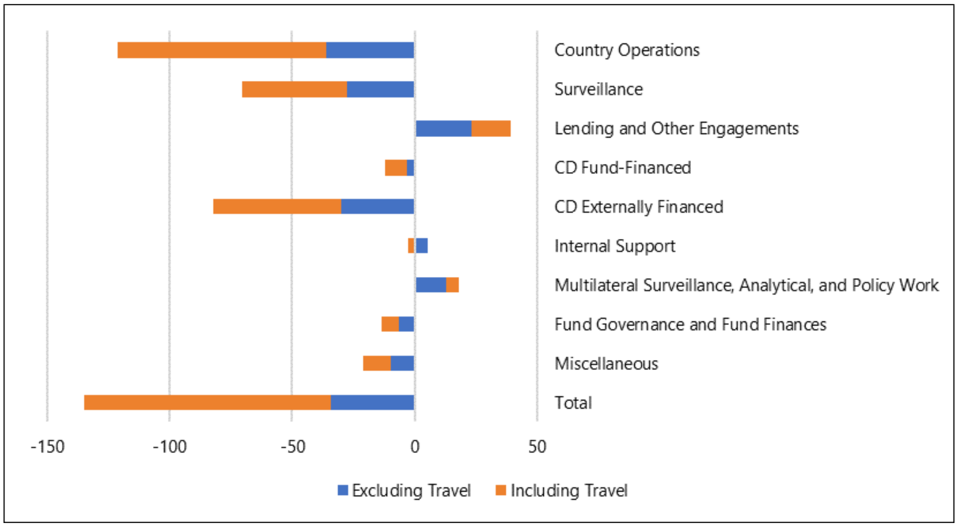
Source: IMF (2020m).

34. **Lack of clear Board support.** Despite this Board discussion, there was some uncertainty among Board members about specifically what staff was requesting at this stage. Management and staff subsequently briefed the Board to clarify that they were asking for endorsement of a further, temporary increase in staffing and approval of a formal Board paper reflecting the presentation's points (IMF, 2020n). While several Board members expressed support for these measures, the majority were either unable or unwilling to make a decision at that time. Nevertheless, management approved authorization of the proposed sizable, temporary staffing increase alongside the need "to identify specific fallback measures that ensure adherence to a flat [FY2022] budget, if needed" (IMF, 2020p).[19]

35. **Benign budget prospects.** Fortunately, at least for the budget, as FY2021 progressed it became increasingly clear that travel and events would remain on hold for a longer time period and that it would take longer to fill all the authorized crisis positions. While spending on country lending and other engagements as well as multilateral surveillance, analytical, and policy work cumulatively increased by $36 million relative to FY2020, spending on most other IMF activities, notably spending on surveillance and CD (either Fund or externally financed), dropped substantially (Figure 5). Actual spending in FY2021 therefore fell considerably relative to FY2020 and the need for a structural increased in FY2022 abated.

[19] Such measures could include limits on travel/events and a claw back of some crisis positions (IMF, 2020p).

Figure 5. Change in Spending FY2021 vs. FY2020
(In USD millions)



Source: IMF (2021e).

C. FY2022 Budget Proposal and FY2023 Augmentation Proposal

36. **A new two-pronged strategy.** The preliminary proposals for the FY2022–FY2024 medium-term budget included a new, two-pronged strategy (IMF, 2021a). The first prong entailed an increase in the general CF limit from 5 percent to 8 percent for FY2022, allowing for use of the significant budget underrun occurring in FY2021 to support primarily the continuation of temporary crisis staffing as well as the resumption of travel and events. The second prong once again involved an increase in structural resources over the flat real budget constraint. This time, however, the augmentation would confront a permanent need, devoted to addressing initiatives in new emerging areas such as climate change, inclusive growth, and digitalization. The Board approved the proposed increase in the CF limit and ultimately settled with management and staff on an additional 2 percent of structural resources for each of the three years spanning FY2023 to FY2025 (IMF, 2021d).

D. Lessons Learned

37. **Future risks from unchanged processes.** While a supplementary budget was avoided and existing budget flexibility proved adequate during this crisis, the experience nevertheless raises some concerns. First, lack of clarity about budget space for new hiring during much of 2020 seems to have delayed the hiring process at least in some departments, and therefore contributed to creating pressure on staff to meet crisis-related demands through extraordinary overtime and reduced leave usage. Second, it is unclear that a similar approach using existing budgetary processes and envelopes would be adequate in the context of future global super crises. The COVID-19 crisis had the unique feature of requiring extensive cuts in travel and event expenses, which paid for one half of the additional spending. Future crises seem unlikely to entail such cuts in travel and may not allow for delays in surveillance and other priority work streams.

38. **The case for greater budget flexibility.** This suggests that a mechanism to provide greater budget flexibility to respond to exceptional short-term fluctuations, that still respects a given medium-term budget envelope, may prepare the IMF better to deal with a wide variety of future global crises. Staff proposed consideration of a budgetary flexibility mechanism, similar to one already in place at the World Bank, in the context of the budget augmentation discussion with the Board in late 2021. More specifically, "the mechanism would allow, on an exceptional basis and with prior notification to the Board, within-year spending above the budgeted level by up to a fixed percentage" (IMF, 2021f).[20] Directors acknowledged the importance of budgetary buffers but raised questions about the need for additional flexibility and the merits of this specific mechanism. This proposal, therefore, was tabled for the time being.

IV. ADAPTATIONS TO THE WORKING ENVIRONMENT

A. Emergency Logistical Management and Strategy

39. **Corporate control room.** Management was first informed about the sudden spread of Sars-Cov-2 in Asia back in January 2020 through the Fund's Security Services. As news came in, management tasked CMT[21] with operational recommendations including health and safety measures, accessibility of HQ and field offices, and repatriation of staff in the field. CMT staff commented in interviews that they received full backing from management for their decisions. Management also established weekly crisis-oriented meetings for the Senior Management Team and the Fund Staff Management Team. Several months into the pandemic, management tasked a Corporate Services and Facilities (CSF) department-led interdepartmental working group to design a new, hybrid working environment for the Fund's HQ to be deployed in the post-pandemic world.

40. **Corporate logistical strategy.** From the crisis onset, CMT was faced with the big questions of how to ensure the safety of staff. HQ and most offices in the field were closed until further notice as of March 16, 2020.[22] For staff in the field, a decision was made quickly not to force evacuations but rather to allow staff to voluntarily move back, either to HQ or their own countries, or to work remotely in the duty station. In the end, about 200 staff were relocated to their preferred location. In June 2020, CMT concluded it would not be safe to reopen HQ quickly, and therefore developed a framework for a gradual return to HQ that would be updated in the course of the following two years.

[20] This level is set at 2 percent for the World Bank.

[21] CMT is a body composed of ten standing principals from various Fund functional departments and the Staff Association, chaired by the Director of the Corporate Services and Facilities Department. It was established in 2011 primarily to deal with emergencies in the field like evacuations in countries going through conflict or coup d'état.

[22] APD offices closed first (before March 13, 2020) at the pandemic's epicenter, and then different overseas offices moved into full remote work and/or closed at slightly different times thereafter depending on the local health situation.

41. **Priority to staff safety.** Reopening of field offices followed a similar approach, starting with a skeleton staff once local conditions allowed, and risk mitigation arrangements had been put in place. By September 2022, all offices had returned to on-site operations in a planned manner. In interviews, CMT staff indicated that the "health and safety of staff was the key priority to guarantee services to the membership" and that the criteria for its conclusions and recommendations were based on continuous risk assessments, in turn based on guidance provided by the World Bank's Health and Safety Directorate together with information from leading public health authorities as well as consultations with other IFIs and UN agencies.[23] CMT staff commented that some of its own decisions, based on that guidance, had to be revised often because the guidance changed continuously.

42. **Framework's working method.** The CMT met regularly over the course of 2020–21 to oversee the implementation of the gradual return plan (a process that is still underway although all offices have now returned to on-site operations in a phased manner). A robust communication campaign, including regular virtual townhall meetings, information sessions with medical experts, "Fundall" emails, Intranet articles, websites, videos, and infographics, was arranged in conjunction with COM and followed all decisions to ensure that staff were fully aware of the upcoming changes.

43. **Role of the Board.** Briefings to the Board at first were quite infrequent and information was provided mainly in written form, leaving little opportunity for an informed discussion with the Board. CMT staff, in interviews, explained that decision-making on these issues was in the realm of management, and the need for quick actions in the early days of the crisis had limited the scope for Board engagement. Several Board members lamented the lack of greater involvement in these large-impact operational decisions with significant implications for the operation of the Board and, in particular, wished for greater transparency about the rationale guiding decision-making for the post-pandemic return to office. However, as the pandemic progressed, the CMT made considerable effort to engage with the Board before any major decisions were made by management.

44. **Abundance of caution**. All along, Fund building access criteria for HQ were in line with those established by the World Bank for its own HQ, as these both were informed by safety protocols drawn up by the World Bank's Health and Safety Directorate. An IEO survey of practices and criteria of other large international organizations suggests that Fund criteria for HQ, throughout 2020 and 2021 (and 2022), were generally stricter than criteria adopted by other UN and non-UN international organizations for their headquarters, including those located in the United States, like the UN HQ in New York City, or in countries with similar or worse epidemiological developments than where the Fund is located, like in London and in many European capitals (Table 3).

[23] Namely the U.S. Centre for Disease Control and Prevention (CDC) and the World Health Organization.

Table 3. Key Access and Safety Criteria for HQs—Selected International Organizations[1]								
Institution	Ever closed?	Temporary caps to max occupancy	Restrictions as per local public health guidelines?	Entry requirements 2021	Current entry requirements	Return to full capacity	New Working Normal	Mandatory office presence (share percent/week)
UN[2]	No	Yes	Yes	Vax or test	None	Jul 21	Hybrid	100[3]
WTO	No	Yes	Yes	Vax or test	None	May 22	Full[4]	N/A
IMF	No	Yes	Stricter	Vax	Vax	Jul 22	Hybrid	40
WB	No	Yes	Stricter	Vax	Vax	Jul 22	Hybrid	40
OECD	No	Yes	Yes	Vax or test or recovery	None	Apr 20	Hybrid	60
EBRD	No		Yes	Vax or test or recovery	None	Sep 21	Hybrid	40
BIS	No	Yes	Yes	Vax or test	None	Apr 22	Hybrid	50
EC	No	Yes	Yes	Vax or test or recovery	None	Feb 22	Hybrid	40
ECB	No	Yes	Yes	Vax or test or recovery	None	May 22	Hybrid	40
EIB	Yes	Yes	Yes	Vax or test	None	Sep 21	Hybrid	60
ADB	Yes	Yes	Yes	Vax only	None	Aug 22	Hybrid	60

Source: IEO.

[1] The information presented in this table is based on written interviews with senior staff at the indicated institutions. The majority of this staff was in direct charge of corporate safety and security in those institutions in the years 2020, 2021, and 2022.

[2] The information provided here refers to provisions for UN Secretariat personnel and their dependents at the UN Headquarters in New York. https://www.un.org/sites/un2.un.org/files/coronavirus_vaccinefaq.pdf

[3] However, flexible working arrangements have been introduced since emergency teleworking arrangements have been lifted and UN personnel, subject to managers' approval, can avail of any or a combination of telecommuting, staggered working hours, compressed work schedule, and scheduled break for external learning activities.

[4] Some flexibility for hybrid working arrangements.

B. Shift to Virtual Work

45. **Real-life stress-test for remote work.** The IMF already was relatively well placed to shift to a remote work environment because infrastructure and work practices had been established to enable staff to work from home during the IMF's Annual and Spring Meetings as well as to operate overseas regularly during missions. With the pandemic's onset, aggressive steps were taken to further enhance staff's connectivity and equipment. Efforts were made to improve access to laptops and videoconferencing equipment for staff that previously had not been issued such devices. Staff were authorized to purchase office equipment such as printers and ergonomic chairs for home use. Online collaboration tools were launched and improved to allow teams to collaborate effectively while physically apart. Remote simultaneous interpretation solutions also were introduced to aid virtual missions and high-level meetings (IMF, 2021d). At the same time, rules for the carryover of leave were eased and additional flexibility was introduced by allowing staff to work outside of the duty station.

46. **A remarkably seamless shift.** As a result, the overall transition to a sustained period of largely remote work was accomplished remarkably seamlessly, supporting the Fund's capacity to effectively meet the sudden demands to respond to the pandemic. The IEO staff survey corroborates these views with over 70 percent of respondents agreeing that country teams were provided needed technical support to ensure a smooth shift to working from home (Koh and Wojnilower, 2023).

Lending and Surveillance

47. **Engaging with member countries.** Interviews with staff and country officials suggest that the shift to remote engagement with officials in member countries was achieved relatively smoothly and even came with some advantages. Videoconferencing, in many cases, provided greater flexibility in defining the length of missions and greater scope to front-load and increase the number of technical discussions. In some cases, country officials felt this enabled staff to prepare better for subsequent policy discussions, and thereby improve their focus and quality.

48. **Advantages of remote work.** From staff's perspective, the fact that missions could take place over a longer period meant the number of meetings each day could be reduced, thereby giving more time to absorb information and making it easier to meet the challenge of working across time zones. The virtual environment also meant it was easier and cost effective to arrange for functional experts and to integrate field staff in a subset of meetings, improving the quality and depth of discussions. Moreover, country officials found the move to remote work meant that it became more natural to maintain informal contact with staff, something that was important particularly during the period when staff's work on Article IV consultations was suspended and the consultation cycles were extended.

49. **Challenges of remote work.** Despite these successes, the work-from-home environment also posed challenges for both staff and their counterparts. Staff's need to work across time zones and the fact that videoconferencing with country authorities tended to lengthen mission engagements, coupled with the large volume of lending and other activity, caused a sharp increase in overtime and a decline in leave usage. Pressures on staff with young children at home were particularly stressful. Additionally, country teams mentioned less depth and access to information typically gained through in-person interaction, particularly where relationships were not well established and for complex negotiations, like UCT programs.[24] Some country officials, meanwhile, reported that their domestic internet connections were unstable, undermining the functionality of videoconferencing, especially when they were also working at home (IMF, 2021d).

[24] Teams also reported heightened sensitivity to sharing of confidential information, due to potential cyberattacks and security breaches as well as domestic legal restrictions.

Capacity Development[25]

50. **A drastic change in CD's delivery channels.** The onset of the pandemic also had an immediate and significant impact on the Fund's ability to deliver CD. Prior to the pandemic, CD represented roughly one-third of the Fund's activity and had been delivered almost entirely overseas and face-to-face. This was in the form of missions to recipient countries by HQ-based staff or short-term experts, or by experts that were stationed abroad, either in the country or in one of the 17 RCDCs. Similarly, the Fund's classroom training programs were typically delivered overseas and face-to face.[26] With the onset of global travel restrictions and social distancing requirements, ICD staff remarked that Fund training came to a "screeching halt" because the IMF's traditional delivery was no longer possible. Moreover, pandemic-related work pressures affected country absorptive capacity and caused many countries to defer CD.[27]

51. **Shift to virtual mode and reprioritization.** The Fund responded to the pandemic by pivoting to virtual and other modes of CD delivery. CD departments and the RCDCs, for example, shifted their previously scheduled missions to a virtual environment and reprioritized work in response to countries' requests for help in addressing pandemic-related policy issues.[28]

52. **Advantages of the shift.** Case studies conducted for the IEO's recent evaluation of *The IMF and Capacity Development* confirmed that the shift to virtual CD engagement carried some advantages (IEO, 2022b). Mission staffing and the participation of country officials in meetings could be handled more flexibly. Virtual meetings facilitated interaction with officials from countries where security concerns might have been prohibitive. Virtual meetings also were considerably less expensive since travel and related costs could be avoided. Country officials, meanwhile, found that virtual meetings allowed for shorter and more focused engagements, compared with in-country missions that tended to cover a wider range of issues.

53. **Challenges of the shift.** As with lending and surveillance work, the shift to virtual CD engagement posed challenges too. Connectivity issues in many countries, particularly low income and fragile conflict-afflicted states, and significant time zone differences complicated remote delivery, leading to shorter daily meetings (often early in the morning or late at night for HQ-based staff) and longer mission duration, adding considerable pressure on staff and hindering their work-life balance. The absence of in-person contact also undermined the quality of discussions, including by inhibiting the free-flow of information between CD deliverers and recipients, especially in cases where meeting participants had never met before or when information needed was sensitive or confidential (IMF, 2021b).

[25] This section draws on the IEO's recent evaluation of *The IMF and Capacity Development* (IEO, 2022b).

[26] The Fund had a significant pre-existing set of virtual courses, delivered through an edX platform, which continued to operate.

[27] For example, see the reference in AFR's FY2023–FY2025 regional strategy note (IMF, 2021i).

[28] During FY2021, CD was delivered to 160 IMF member countries received CD, with the volume of activity falling marginally compared with the previous year (IEO, 2022b). See De Lannoy (2022) for additional detail.

54. **IMF Institute Learning Channel.** Beyond shifting missions to a virtual environment, the IMF adapted its training curriculum to the online environment by launching the "IMF Institute Learning Channel" on YouTube and ramping up relevant internal training and lectures through its Internal Economics Training platform. Shifting to a virtual training environment had several benefits. Participation in IMF online courses increased substantially during the early months of the pandemic, with registered participants rising by 55 percent, active participants by 82 percent, and completions by 100 percent (IMF, 2020l). The IMF Institute Learning Channel, meanwhile, has over 12,500 subscribers and holds well over 200 videos that have accumulated, in total, over one million views.

55. **Challenges to virtual training.** Shifting to a virtual training environment has not been all positive though. Preliminary surveys of participants in IMF training suggest that both learning gains and course satisfaction fell with the shift to a virtual environment (De Lannoy, 2022). Virtual delivery of training on topics where hands-on involvement was important (for example, macroeconomic modeling) also was less effective.

Executive Board

56. **A virtual Board.** The Board's shift to a virtual environment required a formal Board decision since there is a legal requirement for the Board to meet in person. The initial transition benefitted from the pre-existing IMF Connect platform, which allowed for relatively seamless document sharing and meeting scheduling. The IMF also shifted quickly from AT&T's telecom service to Cisco's WebEx platform, which entailed better security features, a chat function, and an ability to designate a single host, which made it easier for SEC to manage meetings.

57. **Initial challenges.** Nevertheless, the Board faced initial challenges accessing and adapting to the virtual environment. Many Executive Directors (EDs) did not have adequate home Wi-Fi connections at the outset of the pandemic and assistants had not yet been issued IMF laptops or cell phones. EDs, their staffs, and SEC staff also required extensive training on the use of WebEx and other virtual systems.

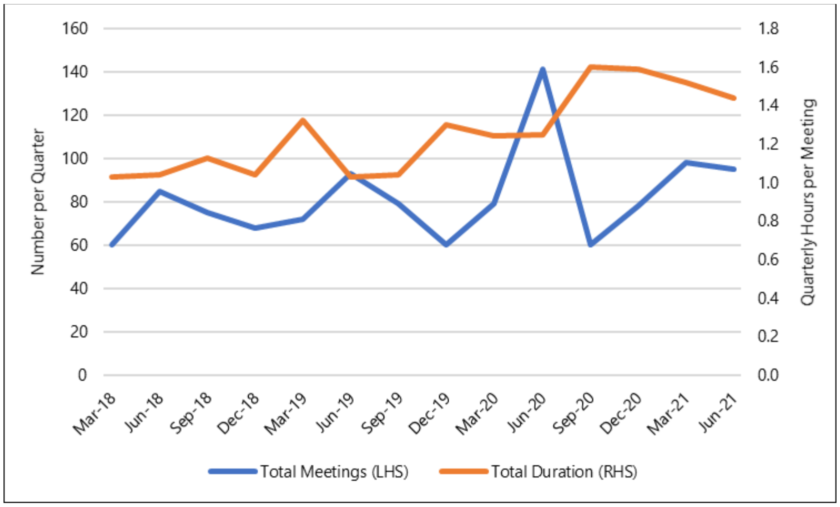
58. **Increased workload.** The Board and staff also had to cope with a sharp increase in the number and length of meetings required to address pandemic-related lending requests and other matters (**Figure**a). To help manage the additional workload, various procedures were streamlined such as "the adoption of a four business-day review period for RCF and RFI requests and for stand-alone requests for assistance under the CCRT" (IMF, 2020d). The Chair's summing up and gray statements were expected to be relatively short as well. On the other hand, the number of interventions per meeting actually increased in the virtual environment (**Figure**b).

59. **A largely successful end result.** Over time, the Board, management, and staff became comfortable operating in the virtual environment and the quality of discussion and Board oversight does not appear to have suffered at a time of high work pressures. Moreover, the fact there were no major glitches in the shift to a virtual environment nor any major security breaches is a strong

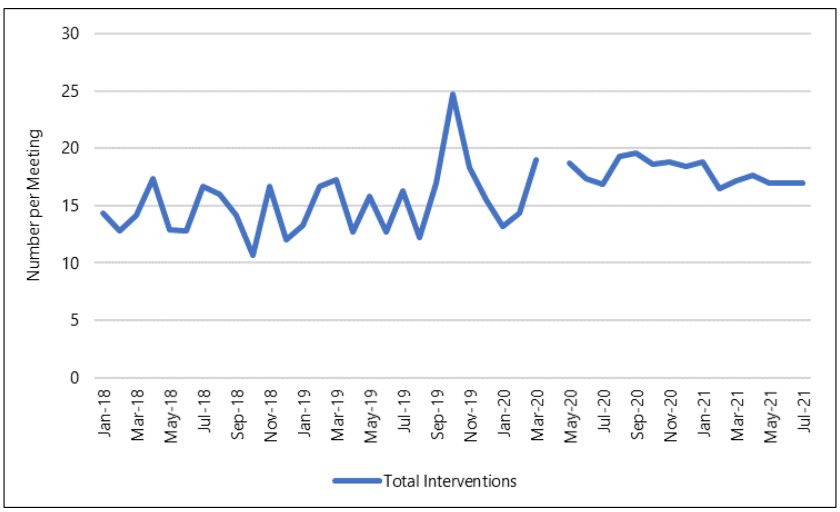
testament to the success of the IMF's response. At the same time, however, Board members noted in interviews that interactions with staff in a virtual setting were not as effective as provided by an in-person setting, leading to some frustration as the period of remote work extended.

Figure 6. Evolution of Executive Board Meetings

A. Volume and Length of Meetings (Quarterly)



B. Interventions at Meetings (Quarterly)[1]



Source: IEO staff calculations using SEC data.
Note: Data on OED Interventions for April 2020 is not available.
[1] One datapoint missing at the height of the pandemic.

Annual and Spring Meetings

60. **Virtual meetings.** Lastly, the onset of the pandemic forced the IMF to shift its Annual and Spring meetings in 2020 and 2021 to a virtual environment. This shift once again entailed some benefits and costs. On the positive side, participation of member country authorities and other key stakeholders, such as civil society, increased significantly in certain regions reflecting the reduced friction of distance. However, the difference in time zones negatively affected the

level and extent of participation. Additionally, feedback from staff and national authorities indicated that they regretted the loss of collaboration, networking, and knowledge sharing opportunities that arises more easily during in-person events.

C. Lessons Learned

61. **Exceptional response despite the unexpected.** The extremely abrupt shift to a complete virtual work environment caught the IMF and many other institutions by surprise. The IMF was generally well prepared for remote work although, in retrospect, more could have been done pre-pandemic to stress test its processes and procedures for the possibility of a sustained shift to remote work and virtual Board meetings. Nevertheless, all things considered, the IMF's response to this shift was exceptional, especially in terms of the speed with which it lent, the effectiveness of the tools it employed, and the priority given to protecting staff health while meeting the extraordinary demands on the Fund.

62. **Areas for improvement.** That being said, the experience also highlights areas for improvement. The CMT, for example, seemingly was designed to handle relatively short, localized crises. Given its relatively small size, of about 10 principals (all senior staff from departments under extreme work pressure during the crisis), the CMT drew predominantly on the medical assessments of the Joint Bank/Fund Health and Safety Directorate and was limited somewhat in its capacity to engage more broadly with health authorities and experts from governments and corporates as well as to consult frequently with the Board. In the end, management is responsible for the operational aspects of staff's work. Having said that, a more interactive CMT could have allowed management to base its decisions on a wider information set. Likewise, more systematic and frequent discussions with the Board during the early parts of the pandemic could have helped the CMT ensure buy-in of management decisions with important consequences for how the Fund works, including for the Board's oversight role. Similarly, notwithstanding the robust staff communication and engagement efforts, further investment in early and frequent consultation with staff could have helped build additional support and allowed management to respond more nimbly to concerns and issues arising in a rapidly changing environment.

63. **Supply delays.** While the process for authorizing staff to equip their home offices was generally effective and flexible, procurement delays and supply chain issues resulted in delayed deliveries to staff of upgraded computer and videoconferencing equipment. The IMF arguably could have gone further in applying its own maxim of "spend but keep the receipts" and allowed staff to make their own arrangements for these upgrades, as it did more broadly for other office equipment and supplies.

V. CONCLUSIONS

64. **The COVID-19 crisis amply demonstrated the Fund's remarkable adaptability.** The COVID-19 pandemic represented a "crisis like no other." Faced with it, the Board, management, and staff adapted literally overnight to the need to work in an entirely virtual environment. Moreover, a number of HR and budgetary initiatives were quickly adopted to support the Fund's crisis response. The purpose of this paper is not to second-guess decisions made in very difficult circumstances but to draw lessons from the experience that could help the IMF do even better in the future.

65. **Human resource strengths.** The pandemic, in many ways, showcased several of the IMF's institutional strengths. Its dedicated workforce went above and beyond the call of duty, logging substantial overtime and foregoing leave, to help member countries navigate the crisis. Countless staff also volunteered for one-off assignments within and across departments, coordinated by SHRPs, to ease the burden on those departments and teams hit hardest. HRD, meanwhile, expedited hiring practices and rapidly replenished the midcareer pipeline.

66. **Human resource management challenges.** These responses, however, also illuminated several of the IMF's institutional weaknesses in managing human capital. For example, the fact that a large share of the workforce was logging at least 20 percent overtime for lengthy periods highlights that the IMF relies on the discretionary effort of staff to handle a crisis. It also points to the slowness of Fund hiring mechanisms and thus the need to streamline recruitment procedures. Moreover, while a demand-driven internal skill-based labor market may work well to facilitate job matching and individual career development in normal times, resorting to a more concerted top-down approach during a crisis period could help to address staffing needs without implying heavy stress on staff members. Preparation for such a mechanism should occur in normal times because there is limited bandwidth during a crisis to try and anticipate changes or pursue other strategic initiatives. Failing to address these issues exacerbates the risk of greater staff burnout and a decline in the IMF's attractiveness as an employer.

67. **Budget flexibilities.** The crisis also required substantial additional spending to meet crisis needs, including for a temporary expansion of the workforce. The budget response was managed nimbly, without requiring any ad hoc increases in the budget envelope, thanks to quick reprioritization and use of available buffers in the budgetary system.

68. **Budget constraints.** In terms of the budget, the IMF relies primarily on resources from an emergency buffer and the carry forward of previously unspent funds to fund crisis-related needs. This practice creates a persistent risk during crisis periods of a situation where additional funds are needed but the emergency buffer and CF resources are depleted or exhausted. Procedures certainly exist for seeking supplementary resources from the Board to meet such extraordinary needs, but the experience of 2020 showed that the process can be protracted in a period of high uncertainty, delaying the associated decisions. Because of this, the actual allocation of funds was delayed and uncertainty about the duration of additional resources slowed the hiring process.

69. **Logistical strengths.** By repurposing a small, existing crisis operational team and leveraging advice from the World Bank Health and Safety Directorate, the Fund managed to take early, rapid decisions about access to Fund premises and repatriation of staff aimed at ensuring personnel health and safety. This way the Fund also ensured business continuity in serving the membership during the crisis. A two-year plan also was quickly developed for a gradual return to work at HQ. A robust communication campaign followed all decisions to ensure personnel were aware of the upcoming changes.

70. **Logistical challenges.** While decisions were taken in record time, the Fund's CMT lacks sufficient resources to deal with high-impact, large scale, and/or permanent corporate logistical decisions. Staff interviews revealed that during 2020 this led to a situation where the team often felt overwhelmed relative to the multiple and urgent tasks at hand, had to rely heavily on World Bank guidance on the key health and safety decisions, and had limited available time for advance communication or more frequent interactions with the Board on key strategic choices. In addition, interviews and surveys suggest that numerous logistical decisions taken by the team could have been more flexible. For example, the decision to close offices entirely meant that some employees who could have benefitted from a workspace outside their home (and were willing to bear the health risks) were unable to do so. Equally, although flexibility with regards to policies on working from home were significant, including increased options for remote work from outside the duty station area, the unpredictability of changes to the policy, including policy extensions, ultimately may have complicated staff telework planning. In addition, when capacity limits for building occupancy were gradually lifted, Fund reentry policies generally were more restrictive than those adopted by other corporate offices in D.C. and other international organizations in the United States and around the world of comparable status and size of the Fund.

71. **"Abundance of caution."** Although these choices reflected an "abundance of caution" and met the preferences of a large portion of staff concerned for their own safety—as evidenced in Fund sentiment surveys—they made the Fund a logistical outlier among peers. In this respect, more active communication and consultation with staff, the Board, and crisis teams of other international organizations could have enhanced transparency and buy-in regarding decision making for the return to HQ.

72. **Useful lessons.** If acted upon, lessons from the crisis can improve the Fund's ability to respond to future global crises and strengthen institutional processes even at normal times. This paper identified several potential areas for improvement in the corporate response based on experience gathered from the recent crisis. These include:

73. **On the human resource management front**:

- *Developing a dedicated mechanism for the allocation of staff in a crisis*. A more proactive, top-down approach for staff allocation during a crisis than the ones utilized in 2020 could both strengthen the Fund's ability to meet crisis needs and help contain heavy pressures on Fund staff during extraordinary times. This could require some temporary modifications to the usual demand-driven approach to staff allocation, to increase further some departments' ability to hire and limit losses from departures to other internal assignments.

- *Buttressing mechanisms to connect people-to-people and people-to-work and simplify hiring*. Making the Fund's current recruitment function under Workday mandatory and upgrading it with more granular information on both the fungible and specialized staff's live skills could help deploy critically needed resources quickly during a crisis as well as facilitate job matching in normal times. In parallel, internal and external hiring processes could be simplified and road-tested for speed and safety standards. Lastly, more HR policies and procedures could be amended to make the hiring process more efficient.

74. **On the budgetary front:**

- *Increasing budget flexibility during crises*. A mechanism to provide greater budget flexibility to respond to exceptional short-term fluctuations, that still respects a given medium-term budget envelope, could minimize the risk of budgets falling short of crisis needs at extraordinary times when uncertainty is high. In line with existing proposals by staff, this could be specified as a mechanism that allows, on an exceptional basis and with prior notification to the Board, within-year spending above the budgeted level by up to a fixed percentage (IMF, 2021f).

75. **On the logistical front**:

- *Strengthening the Fund's CMT capacity*. Reinforcing the CMT's capacity, including competencies in the areas of health, safety, logistics, and communications, could buttress the Fund's ability to provide a timely and expert logistical response in future crises, including determining potential risks and minimizing the fallout on the Fund's operational space as well as staff's physical and psychological health. It could be helpful to establish guidelines that specify when and how such body should consult the Board and staff with respect to high-impact, large scale, work-related logistical decisions with major implications for the functioning of the Board and the work environment facing staff.

- *Exchanging knowledge and converging to best practices*. More frequent and comprehensive exchanges with other international organizations about successful business and corporate logistical approaches during crises could help the Fund learn from others' and accelerate adoption of international best practices.

76. **Protocol for corporate response in case of a global crisis.** Developing a global crisis protocol for the institutional response to deploy in case of a global crisis with clear, easy-to-tailor steps that draws together several of these measures could support a strong and coherent early corporate response in future crises. Such a protocol could include the activation of a centralized

mechanism for redeployment of staff resources, a framework for a short-term temporary budget increase, and provision of increased resources for the CMT. This protocol could be part of a larger umbrella crisis mechanism that simultaneously deploys other emergency measures on the lending, surveillance, and policy advice fronts, as discussed in the recommendations contained in the main paper of this evaluation (IEO, 2023).

APPENDIX I. HRD ACTIONS TO ADDRESS COVID-19 PANDEMIC-RELATED WORK CHALLENGES

COVID-19 Policy Adjustments

- Voluntary evacuation for overseas staff in March 2020: subsistence allowance (ended April 30, 2021)
- Flexible work arrangements for HQ/Field-based staff
- Temporary adjustments to leave policies, for example, Annual Leave flexibility/carryover; Family Care Leave addition; Home Leave flexibility
    - Annual leave flexibility/carryover: Delaying CCBR reforms of minimum 20-day usage during the fiscal year
- Simplified performance review/feedback process:
    - Performance Management – suspension of ratings in FY20 and FY21, MSI optional for A1-B3 in FY20 and mandatory for Managers only in FY21; full APR write ups in FY21
    - Note: For FY22, reverting to regular APR cycle, MSI mandatory for Managers, ratings for all staff (contractuals included)
- Healthcare benefits, for example, Telehealth options: outside of U.S., temporary elimination of copayments

Hiring and Staff Reallocation

- Internal resource reallocation platform to facilitate staff interdepartmental moves
- Rehiring of Fund retirees on contractual appointments
- Extension of contractual employees reaching 4-year rule between April and September 2020
- FY21/22 allocation of 135 temporary staff and contractual positions (including 129 in economic departments).
- Large replenishment of midcareer pipeline with introduction of expedited hiring framework, which helped restore the vacancy lag to normal levels. 94 candidates cleared in FY21; further 120 candidates expected in 2022.

Training and Tips

- Tips and guidance circulated to staff and managers, for example, inclusive leadership
- Enhanced executive coaching program
- Weekly emails and regular events to support managers, for example, manager community of practice

Resources to Support Staff

- COVID testing site for regular weekly and one-demand testing
- Exceptional financial assistance: one-time COVID-19 relief allowance for school-aged and special needs children (one-time allowance of $1,000 per eligible child for education support).
- Childcare and education logistics support:
    - New portal for Family Support and Special Needs services
    - Childcare Center reopened September 2021 (temporarily closed in January due to Covid surge)
- Fitness Center:
    - Free online service delivery (group classes and personal training)
    - Reopened in June 2021
- Health and wellness platforms
- Dedicated webpage on COVID-related information and resources

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