IMF COLLABORATION WITH PARTNER INSTITUTIONS ON SOCIAL PROTECTION

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ABBREVIATIONS

COM	Communications Department (IMF)
CSO	civil society organization
ECF	Extended Credit Facility
ESAF	Enhanced Structural Adjustment Facility (IMF)
EXR	External Relations Department (IMF)
FAD	Fiscal Affairs Department (IMF)
HIPC	Heavily Indebted Poor Countries
ILO	International Labor Organization
JSAN	Joint Staff Advisory Note (IMF and World Bank)
LIC	low-income country
OECD	Organization for Economic Cooperation and Development
PRGF	Poverty Reduction and Growth Facility
PSIA	poverty and social impact analysis
SBA	Stand-By Arrangement
SPF-I	Social Protection Floor Initiative
SPIAC-B	Social Protection Interagency Cooperation Board
SPL	Social Protection and Labor (World Bank)
SPR	Strategy, Policy, and Review Department (IMF)
TA	technical assistance
UN	United Nations
UNICEF	United Nations Children's Fund
WHO	World Health Organization

I. INTRODUCTION

1. **To incorporate social protection considerations into IMF operational work, the Executive Board has consistently called on Fund staff to rely on the expertise of relevant partner institutions.** While the Board has endorsed the objective of protecting critical social spending in IMF-supported programs, the general view has been that the IMF should not take the lead role in the selection and design of social policies (Abrams, 2017). IMF operational guidelines have required staff to rely on relevant leading institutions for inputs when incorporating social protection considerations into policy advice and program design. The relevant institutions include: the World Bank, in the areas of poverty assessment, provision of social safety nets and basic social services, and improving the effectiveness and pro-poor orientation of public expenditures; the International Labour Organization (ILO), in the area of labor market and related social policy reforms; United Nations (UN) programs such as the United Nations Children's Fund (UNICEF); the Organization for Economic Cooperation and Development (OECD); regional development banks; and bilateral aid agencies.

2. **Within the IMF, various departments have responsibilities for collaborating with other institutions on issues related to social protection** (Annex 1):

- The Strategy, Policy, and Review Department (SPR) leads the IMF's interactions with the World Bank, UN agencies and the ILO at the institutional level. The IMF's Special Representative to the UN is a senior staff member in SPR.
- The Communications Department (COM) is in charge of interactions with civil society organizations (CSOs), labor unions, parliamentarians, and the media at the institutional level.
- The Fiscal Affairs Department (FAD) is responsible for interacting with other organizations on public expenditure policy issues and, together with SPR, on social sector and poverty-related issues.
- At the country level, Area Department staff and IMF resident representatives often take initiatives to engage the World Bank or UN country teams at headquarters as well as in the field.

3. **The World Bank was the IMF's major partner on social protection issues during the evaluation period (2006–15).** In a staff survey conducted by IEO, 80 percent of respondents reported interactions with Bank staff on social protection issues ranging from periodic or occasional meetings and information-sharing to joint missions (Wojnilower and Monasterski, 2017). On the other hand, a large majority of survey respondents reported minimal to no interaction with UN agencies (including the ILO) and the OECD.

4. **Past IEO evaluations have called for further strengthening the IMF's collaboration with partners and, more specifically, for developing or improving guidelines for IMF engagement with other institutions** (Annex 2). The evaluations identified various operational challenges to effective collaboration, such as different institutional mandates and operational structures, staff incentives, and personal "chemistry." The evaluations also found that while inadequate operational guidance often posed problems for effective collaboration, guidelines that focused too much on documents and procedures and too little on accountabilities could be unhelpful as well. Another central issue has been how to engage with others to reap the benefits of collaboration while at the same time protecting the IMF's independence.

5. **This paper examines the IMF's collaboration efforts with the World Bank and other institutions on social protection since 2006**. It focuses specifically on work related to social protection (rather than collaboration in general), and primarily on collaboration initiatives at the institutional level, centering on three questions:

(i) Was there clear guidance to staff on the division of labor and what the collaboration initiative was meant to achieve?

(ii) What was the outcome of the collaboration initiative?

(iii) What issues, if any, arose in carrying out the collaboration, e.g., coordinating operational work or positions on social protection with the other institution?

6. **The assessment is based on desk reviews and interviews**. Desk reviews covered policy documents and guidelines issued to staff, staff reports and program documents, and advocacy and outreach items. Interviews were conducted with staff from the IMF and other institutions, as well as with government officials and other stakeholders in countries where the IMF was engaged in joint initiatives on social protection.

7. **The rest of the paper is organized as follows**. Section II discusses the IMF's collaboration with the World Bank on social protection. Section III reviews collaboration with the ILO, specifically the joint initiative on "social protection floors" in 2011–13. The IMF's collaboration with UNICEF during 2009–11 is discussed in Section IV. Section V discusses collaboration with other institutions on social protection. Section VI provides an overall assessment and highlights key issues.

II. COLLABORATION WITH THE WORLD BANK

8. **The World Bank has had a Social Protection and Labor (SPL) practice since the 1990s** (Box 1). Under its first SPL strategy elaborated in 2001, the World Bank's work has focused on five main areas: pensions and old-age income support; social safety nets;[1] social funds;[2] labor markets and job creation; and disability. The work has been carried out through lending operations and analytical work, and concentrated in middle-income countries, particularly in Latin America and the Caribbean, and Europe and Central Asia. The Bank has conducted country risk and vulnerability assessments to aid in the diagnosis of appropriate social protection strategies for countries and the identification of possible points of engagement. In the area of social safety nets, the Bank has advocated conditional cash transfer programs and better targeting and administrative systems. In the area of pensions, the Bank was an early advocate of multi-pillar systems involving public and private institutions although its position on such systems and the relative benefits of defined-benefit and defined-contribution schemes has evolved since 2006 (see Heller, 2017).

Box 1. The World Bank's Approach to Social Protection

The World Bank's first SPL strategy, introduced in 2001, established Social Risk Management as a conceptual framework for social protection. The framework emphasizes risk and risk management as a complement to the more traditional emphasis of social protection on equity and basic needs. It is considered particularly relevant for low-income countries (LICs), because poor people are more vulnerable to systemic risks (such as drought) as well as idiosyncratic risks (such as illness), and they generally lack access to good instruments for effectively managing those risks (World Bank, 2001). This framework led to the introduction of vulnerability analysis as a complement to poverty analysis, and highlighted the importance of public, private, and informal social protection mechanisms.

The World Bank's second SPL strategy, launched in 2012, aims at helping developing countries move from fragmented approaches to more harmonized systems of social protection. Building on the basic conceptual framework of the first SPL strategy, the new strategy focuses more on building SPL systems rather than improving individual programs, commits to increasing SPL engagement in LICs, and emphasizes the central role of jobs and enhanced productivity as the pathway to opportunity (World Bank, 2012).

In 2015, the World Bank joined the ILO in support of universal coverage and access to social protection. According to a joint statement by the two institutions: "Universal social protection refers to the integrated set of policies designed to ensure income security and support to all people across the life cycle—paying particular attention to the poor and the vulnerable. Anyone who needs social protection should be able to access it. Universal social protection includes: adequate cash transfers for all who need them, especially children; benefits and support for people of working age in case of maternity, disability, work injury or for those without jobs; and pensions for all older persons. This protection can be provided through social insurance, tax-funded social benefits, social assistance services, public works programs and other schemes guaranteeing basic income security" (World Bank Group and ILO, 2015).

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[1] In the Bank's usage, "social safety nets" are synonymous with social assistance such as cash transfers, school feeding, and targeted food assistance.

[2] Social funds are agencies that finance small projects in several sectors targeted to benefit a country's poor and vulnerable groups.

9. **In terms of Bank-Fund collaboration, it has long been understood that social protection falls squarely in the World Bank's bailiwick.** The managements of the IMF and the World Bank have long emphasized the importance of aligning their work and minimizing duplication while respecting the division of their primary responsibilities. Joint guidance in 1998 explicitly identified social protection as an area of primary responsibility of the World Bank (IMF, 1998). At a 2003 IMF Board discussion of Bank-Fund collaboration on public expenditure issues, Executive Directors reiterated the importance of maintaining a clear division of labor between the two institutions and agreed that: "The Fund should be the lead agency on the aggregate aspects of macroeconomic policy and their related instruments, and the Bank on issues relating to public expenditure composition and efficiency" (IMF, 2003). The joint Board paper explicitly included, under issues relating to public expenditure composition and efficiency, areas such as "pension reform, and social protection and development" (World Bank and IMF, 2003).

10. **Bank and Fund guidelines on collaboration have been in place since 1966** (Annex 3). The 1989 Concordat (IMF, 1989) set forth general procedures "to ensure that conflicts of views are resolved at an early stage, do not surface in contacts with country authorities, and do not result in differing policy advice to member countries," although it did not contain explicit reference to social protection (IMF, 1989). Additional guidance on procedures to enhance Bank-Fund collaboration were elaborated in IMF (1995), IMF (1998), IMF (1999), IMF (2002a), IMF (2002b), IMF (2003), IMF (2004), IMF (2007b), and IMF (2010a).

11. **Specific operational guidelines pertaining to Bank-Fund collaboration on social protection do not exist, but some references can be found in guidance for work on pension reforms and work under the Poverty Reduction Strategy (PRS) approach for low-income countries (LICs)**:

- *Pension reforms:* Since the 1996 Board discussion on public pension schemes, the established division of labor has been for the IMF to focus on the implications of pension systems/reforms on macroeconomic developments (e.g., savings, growth, budget positions, and labor markets) in the context of its multilateral and bilateral surveillance work and the World Bank to focus on specialized and detailed advice on pension systems (IMF, 1996).

- *Poverty and Social Impact Analysis (PSIA):* PSIA is an approach to assess the distributional and social impacts of policy reforms on different groups of the population, particularly the poor and vulnerable. Board guidance on whether IMF staff should carry out PSIAs or rely on the World Bank to do so has been somewhat equivocal. The last reference was in a 2007 Board paper which stated that "while staff is not responsible for conducting PSIAs, it should be proactive in discussing PSIA needs with the authorities and development partners, and take into account pertinent PSIA results" (IMF, 2007a). However, there was no mention of PSIA in the Summing Up of that Board discussion.

- *Joint Staff Advisory Notes (JSANs):* From 2004 to 2015, JSANs were prepared by the staffs of the World Bank and the IMF to analyze the strengths and weaknesses of a country's Poverty Reduction Strategy (PRS) and to identify priority action areas for strengthening.[3] Guidance to Bank and Fund staffs indicated that they were expected to contribute to the JSAN "in their areas of primary institutional competencies" (IMF, 2012), where social protection was clearly considered a core competency of the World Bank and not the IMF.[4]

12. **A country-level examination of Bank-Fund collaboration on social protection is beyond the scope of this paper, but evidence from other background studies points to an effective division of labor and good cooperation.** In the emerging-market and low-income country case studies examined in Tan and Selowsky (2017) and Klugman and others (2017), what sometimes appeared to be a low degree of IMF involvement in social protection issues was usually explained by the fact that the World Bank was already actively engaged in that area. IMF staff almost always deferred to the World Bank when it came to the design and implementation of social protection schemes.[5] In interviews for this evaluation, IMF staff almost without exception expressed appreciation for the input and assistance of their World Bank colleagues; and World Bank staff likewise expressed appreciation for the Fund's efforts to mobilize support for social protection issues and maintain the momentum of reforms. In the IEO survey of IMF staff, 32 percent of respondents rated their cooperation with World Bank staff as "highly effective" and 55 percent rated it as "moderately effective" (Wojnilower and Monasterski, 2017).

13. **Heller (2017) finds that Bank-Fund collaboration on pension reforms during the evaluation period largely followed the established division of labor and responsibilities.** According to that study, collaboration with World Bank staff most often took place in countries

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[3] The joint Bank-Fund PRS approach was introduced in 1999 in the context of the Heavily Indebted Poor Countries (HIPC) Initiative, in which countries were required to prepare PRSPs and Annual Progress Reports as a basis for debt reduction. The same documents were subsequently used to anchor IMF-supported programs for low-income countries to allow for the implementation of strategies to achieve sustained poverty reduction and growth. A Joint Staff Assessment (JSA) of the PRSP was presented to the World Bank and IMF Executive Boards regarding the adequacy of a borrowing member's poverty reduction strategy as a basis for the provision of concessional assistance by the two institutions. JSAs were replaced by JSANs in 2004.

[4] The 2005 Guidance Note for IMF staff on the PRS framework specified the Bank's core areas as "design of poverty reduction strategies (including poverty diagnostics, sectoral strategies, effectiveness of public expenditures, and social safety nets) and structural, social, and governance reforms (including legal and judicial reforms);" the Fund's core areas as "macroeconomic policies (monetary, fiscal, and exchange policies) and directly related structural reforms;" and overlapping areas as "the environment for private sector growth, trade, financial sector, tax and customs policy administration, and issues related to public expenditure management, budget execution and monitoring, and fiscal transparency, as well as public sector governance" (IMF, 2005).

[5] See also Feltenstein (2017) and Heller (2017). Heller (2017) noted only one instance where the IMF went against the World Bank's advice on pension reform.

where the Bank had already played an active role in pension reform efforts.[6] In these countries, it was often the case that the World Bank played the principal role (and sometimes paired with other donors/institutions) and IMF staff drew on the Bank's work—including its Pension Reform Options Simulation Toolkit (PROST)—either as the principal background source for their policy recommendations or as an input to their analysis of the macroeconomic and fiscal implications of the pension system. In some cases, Fund staff worked jointly with Bank staff on pension reform, e.g., in the context of technical assistance (TA) or Financial Sector Assessment Program missions. Only in rare cases did Fund staff pursue a different approach to pension reform from that advocated by the Bank—one such instance was in 2014 when the IMF supported Poland's decision to reverse its earlier defined-contribution pension scheme reforms, against the Bank's opposition.

14. **Bank-Fund collaboration on PSIA was much less in evidence during the evaluation period.** PSIA is not a social protection tool per se, but it may be used to inform the design of social protection policies and programs or to identify social protection needs arising from reforms. The 2007 IEO evaluation of *The IMF and Aid to Sub-Saharan Africa* found that Bank-Fund collaboration on PSIA in programs supported by the Poverty Reduction and Growth Facility (PRGF) during the 1999–2005 period was "stymied by unrealistic expectations," leading the Fund to focus on in-house analysis instead of relying on the Bank (IEO, 2007). The 2014 IEO revisit of issues raised in that evaluation continued to find "limited Bank-Fund collaboration on PSIA in the post-2007 period" (IEO, 2014). This paper corroborates that finding. Since 2008, PSIA has been mainstreamed into FAD's expenditure policy work, particularly in the context of food and fuel subsidy reforms (Box 2).

[6] As a result of widespread World Bank engagement in the area of pensions in most emerging-market and low-income countries since the 1990s, there were few such countries by the start of the evaluation period where the Bank's policy presence on pensions had not been felt and where the Bank had not had an active role in either pension design or administration. In countries where the World Bank had not traditionally worked—notably, advanced economies—the IMF did not collaborate with the Bank on pension reform issues.

Box 2. The Birth, Death, and Resurrection of PSIA in the IMF

The use of PSIA was one of the key features of the PRGF. From the launch of the PRGF in 1999, the Board emphasized that that the World Bank was the lead agency on PSIA. IMF staff were generally not expected to do the analysis themselves, but rather to integrate the analysis of the Bank (or other partners) into program design (see Annex 3).

The 2004 IEO evaluation of *The IMF's role in PRSPs and the PRGF* highlighted coordination problems with the World Bank, noting that it was not realistic to assume that the World Bank would "act as the 'agent' for the IMF in implementing or coordinating PSIA in areas of importance to the Fund" (IEO, 2004).

IMF staff have become engaged in PSIA work. In 2004, a dedicated unit of four experts was set up in FAD to assist mission teams to "better understand the likely impact of key macroeconomic and structural reforms on different population groups, particularly the poor, on the basis of available PSIA; assess the appropriateness, timing, and sequencing of alternative measures in the design of programs and, where appropriate, design and integrate into IMF programs compensatory and complementary measures to mitigate any negative effects of reform policies; and perform distributional analyses to fill critical information gaps in areas of the IMF's core competence" (Gillingham, 2008).

The IMF's PSIA Group increasingly produced PSIAs of its own. According to the 2007 IEO evaluation of *The IMF and Aid to Sub-Saharan Africa*, IMF staff found that most PSIAs prepared by other agencies generally lacked the necessary timeliness, relevance, and/or quality to underpin PRGF design (IEO, 2007). World Bank staff working on PSIAs indicated that they generally lacked incentives and resources to meet the specific needs of IMF-supported programs. Demand for the PSIA Group's work was given an additional fillip by the rise in oil prices which made energy subsidies and their distributional impact an important issue for the IMF's operational work in many countries. The number of PSIA exercises by the Group went up from 4 in 2004 to 16 in 2006 (Gillingham, 2008).

In 2007, internal support for the PSIA Group began to wane. At the Board discussion of the 2007 IEO evaluation, "most Directors confirmed that distributional policies generally lie outside the Fund's core mandate and that poverty and social impact analysis (PSIA) should be conducted by other agencies in the context of the PRSP process, although others saw a continuing role for the Fund" (IEO, 2007). As oil prices began to fall, demand by IMF Area Departments for PSIA in the context of energy subsidy reform also fell. The Group conducted 10 PSIA exercises in 2007 and 2 in the first two months of 2008.

The PSIA Group was dismantled in 2008 as part of the IMF's downsizing exercise. Its members were absorbed into FAD's Expenditure Policy division, and PSIA work was "mainstreamed" into FAD's work agenda. A 2010 IMF Factsheet indicated that the IMF would have "more limited capacity for original PSIA work" but that Area Department teams would nonetheless "continue to address concerns about poverty and social impacts in their policy advice" (IMF, 2010b). A consequence of the "mainstreaming" is that PSIA missions and related work are no longer classified as such in FAD's recordkeeping, making it harder to identify the amount of PSIA work carried out by IMF staff. According to staff interviewed for this evaluation, FAD continues to field some 13 PSIA-related TA missions per year.

15. **The institutional context for Bank-Fund collaboration on social protection issues saw some changes towards the end of the evaluation period.** The impact of these changes has yet to be fully seen.

- In 2012, the World Bank launched its second Social Protection and Labor strategy for the period through 2022 (see Box 1). This strategy focuses more on building social protection systems rather than improving programs, commits to expanding the Bank's engagement to the poorest countries, and emphasizes the central role of jobs and enhanced productivity as the pathway to opportunity (World Bank, 2012).

- In 2012, the Social Protection Interagency Cooperation Board (SPIAC-B) was set up with the World Bank and ILO as co-chairs. The SPIAC-B was established in response to a request from the G20 for international organizations that provide social protection financing and technical advisory services to developing countries to improve coordination of their efforts. The IMF is a member of the SPIAC-B but has not been an active participant (Box 3). In interviews, SPIAC-B member representatives said that the IMF's absence was felt as there were areas where its input—for example, how to find fiscal space—would have been constructive.

- In 2014, the World Bank delinked its concessional lending from the PRS approach, eliminating the requirement for JSANs. Revised IMF operational guidelines (effective from June 2015) stipulate that IMF staff's assessment of the country's PRS would be provided in the relevant program documents while an assessment of the country's PRS would also be requested from World Bank staff and circulated to the IMF Executive Board for information (IMF, 2015b). The revised guidelines do not address the implications, if any, for the established division of labor/responsibility between the Fund and the Bank regarding social protection issues in the PRS assessment.

- In 2015 the World Bank joined the ILO in support of universal social protection (see Box 1). A joint statement by the heads of the two institutions announced that they shared the objective to increase the number of countries that can provide universal social protection by supporting countries in designing and implementing universal and sustainable social protection systems (World Bank Group and ILO, 2015).[7] Given the ILO's grounding in the rights-based approach to social protection, it is not clear what the implications are for the World Bank's longstanding approach of targeting social protection and for future Bank-Fund collaboration in this area. World Bank staff informed this evaluation that they are currently working with the ILO on a number of practical issues involved in achieving the goal of universal social protection that would have direct implications for targeting, fiscal costs, and choosing the right combination of instruments for a given context.[8] IMF staff contacted by this evaluation indicated that they have not seen a departure from the Bank's standard advice on designing and implementing social safety nets so far.

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[7] In September 2016, the heads of the World Bank Group and the ILO jointly announced a new Global Partnership for Universal Social Protection (World Bank, 2016).

[8] According to World Bank staff, the World Bank's approach to achieving universal social protection could continue to prioritize schemes/programs that target the poor and gradually expand coverage to new areas of social protection and to the less poor, while the ILO's approach could continue to prioritize schemes/programs that provide universal benefits for various demographic groups (e.g., those in the formal sector) and gradually expand coverage to new areas of protection and to new groups (e.g., those in the rural sector).

Box 3. The IMF and the Social Protection Interagency Cooperation Board

The SPIAC-B is co-chaired by the ILO and the World Bank and includes in its membership several agencies, funds and programs of the UN, bilateral development agencies, and international financial institutions—including the IMF.

The SPIAC-B has met nine times since July 2012, with the latest meeting in April 2017, to discuss, among other things, ongoing social protection initiatives by SPIAC-B members and observers; social protection in the context of the post-2015 development agenda; inter-agency joint work at the country level; collaboration on social protection assessment tools; cooperation in the field of social protection statistics; knowledge sharing; and capacity building.

The IMF was represented in only three meetings to date: the IMF's Special Representative to the UN attended the third SPIAC-B meeting in New York in February 2013; a senior economist from the Statistics Department attended the fourth meeting in Brussels in October 2013; and a COM liaison officer attended the eighth meeting in New York in November 2015.

III. COLLABORATION WITH THE ILO

16. **Social protection is a central issue within the ILO's mandate.** The ILO views social protection as a human right and advocates for universal coverage and access to social protection. The 1944 Philadelphia Declaration recognizes as the obligation of the ILO the advancement of principles that would achieve, among others, "the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care."[9]

17. **Since 2009, the ILO has advocated for a "social protection floor" to ensure a basic level of social protection—access to essential services and social transfers for the poor and vulnerable—in every country.** The Social Protection Floor Initiative (SPF-I) was a key element of the Global Jobs Pact adopted by ILO member states in 2009 to address the social and employment impact of the global financial crisis and promote a recovery centered on investment, employment, and social protection (Box 4) (ILO, 2011; 2012).

18. **Social protection floors are featured in the UN 2030 Sustainable Development Goals** (SDGs). The first goal ("End poverty in all its forms everywhere") includes as a target the implementation of "nationally appropriate social protection systems and measures for all, including floors" and the achievement of "substantial coverage of the poor and vulnerable" by 2030 (UN, 2015).

[9] Social security is defined by the ILO as "the set of public measures that a society provides for its members to protect them against economic and social distress that would be caused by the absence or a substantial reduction of income from work as a result of various contingencies (sickness, maternity, employment injury, unemployment, invalidity, old, and the death of breadwinner); the provision of healthcare; and the provision of benefits for families with children" (Bonilla Garcia and Gruat, 2003). The ILO uses the terms "social security" and "social protection" interchangeably in most instances.

Box 4. The ILO and the Social Protection Floor Initiative

The SPF-I was a key ILO initiative in response to the global financial crisis. The initiative was adopted by the UN Chief Executives Board in 2009, and supported by numerous collaborating agencies including the IMF and the World Bank. The ILO and the World Health Organization (WHO) were jointly charged with leading this initiative.

According to ILO Recommendation No. 202 (2012), social protection floors are nationally defined sets of basic social security guarantees ensuring that all in need have, at a minimum: (i) access to essential health care, including maternity care; (ii) basic income security for children, providing access to nutrition, education, care and any other necessary goods and services; (iii) basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and (iv) basic income security for older persons. Such guarantees are to be provided to all residents and all children, as defined in national laws and regulations, and subject to existing international obligations.

The SPF-I is part of the ILO's two-pronged strategy to extend social protection. Under this strategy, countries would first establish a national social protection floor in line with ILO Recommendation No. 202 (2012), and then build on it to achieve progressively higher levels of protection within a comprehensive social security system (Cichon, 2013).

19. **The ILO is not a lending institution and its policy approach is based on a tripartite framework.** The ILO provides a forum in which the governments and the social partners of the economy of its 187 member states debate and elaborate labor standards and policies. ILO operations are decentralized at the regional level. The permanent secretariat and operational headquarters are in Geneva while administration and management are decentralized in regional, area and branch offices in more than 40 countries. Currently, about 900 ILO officials are working on technical cooperation programs and projects in various countries.

20. **Guidelines for IMF-ILO collaboration on labor market and social protection issues have been in place since 1996.** Following the UN World Summit for Social Development in 1995 and a call from the Interim Committee for strengthened cooperation between the two institutions, the IMF Managing Director issued a memo to staff in February 1996 specifying several ways in which IMF resident representatives should collaborate with ILO teams at the country level, including[10]:

- seeking the ILO's views (for example, through informal inputs such as the preparation of background material) on labor market issues and the design of "cost-effective social protection instruments;"
- providing Fund staff's views on the country's macroeconomic policies and targets; participating in joint IMF-ILO "case studies" on labor market and social policy issues;

[10] The memo identified eight countries with IMF and ILO representations. It noted that the collaboration could include resident World Bank offices when appropriate, since IMF staff would continue to rely on the Bank for input on labor market and social security issues in many cases. An April 1997 update on IMF-ILO collaboration (IMF, 1997) reported that six countries (Côte d'Ivoire, India, Indonesia, Peru, Uganda, and Ukraine) were serving as pilot cases for "enhanced collaboration" along the lines outlined in the Managing Director's guidance note.

participating in the ILO's employment policy reviews and national tripartite seminars, where relevant; and

- jointly organizing meetings with employers and workers' groups to facilitate a better understanding of views between the Fund and these groups on labor market and social protection issues.

21. **In contrast with Bank-Fund collaboration, the guidelines for IMF-ILO collaboration did not specify how differences in views would be resolved.** The guidelines indicated only that the Policy Development and Review Department (now SPR) would "seek clarification" through its UN Office and Office in Geneva (which closed in 2008) in the event of any "significant differences of views on macroeconomic matters" with the ILO. In any case, interviews with a wide swath of Fund staff did not reveal any awareness of the existence of these guidelines.

22. **Collaboration between the two institutions was largely dormant until 2010, when the IMF agreed to collaborate with the ILO on the SPF-I.** At a joint IMF-ILO conference in Oslo in September 2010, the heads of the two institutions agreed to work together in three areas: (i) to explore the concept of a social protection floor for people living in poverty and in vulnerable situations; (ii) to focus on policies to promote employment-creating growth; and (iii) to promote social dialogue, as a way of building consensus around difficult issues and ensuring that the social consequences of the crisis and its aftermath were taken fully into account (IMF, 2010d). After the Oslo conference, SPR and COM spearheaded the work to bring about the collaboration, despite some reservations in FAD concerning the extent of the IMF's commonality of interests with the ILO. Three countries—El Salvador, Mozambique, and Vietnam—were chosen to serve as pilot cases for the first area of collaboration, i.e., on the SPF-I.[11]

A. The IMF-ILO Social Protection Floor Pilots

23. **The three pilot cases exhibited varying degrees of success.** This paper tries to identify contributing factors by looking at the following questions: Why was the country selected as a pilot case? What were the modalities for collaboration? What were the outputs? Were the objectives of collaboration met?

Mozambique

24. **Mozambique could be considered the most successful of the three collaboration pilots.** IMF-ILO collaboration in Mozambique yielded a policy package that gained buy-in from donors and traction with the authorities. According to the Mozambican authorities, the IMF's involvement helped to put social protection on the government's policy agenda and resulted in

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[11] The other two areas were not directly related to social protection. The Research Department took the lead in the second area (on policies to promote employment-creating growth), which eventually morphed into the IMF's Jobs and Growth Initiative.

higher spending on and an expansion in the number of beneficiaries under the basic social protection programs.

25. **Mozambique was proposed as a pilot country by the IMF mission chief in early 2011 for several reasons**. The authorities were interested in the idea—the country had just experienced a series of urban riots protesting high food and fuel prices and the government was keen to prevent a recurrence of social unrest; donors were supportive of the initiative; and the IMF team itself strongly believed that social protection was imperative in Mozambique given the country's high poverty rate. Others were also supportive of the collaboration effort, notably the Ministry of Women and Social Action (which oversaw social protection), UNICEF, and the World Bank. The IMF and the ILO both had a local office in Maputo, and the IMF resident representative and the ILO social protection specialist had already established a good working relationship.

26. **The division of labor and the expected outputs were clear.** The ILO was responsible for designing and costing various social protection floor proposals (e.g., which social assistance programs to include and how to implement them) and the IMF was responsible for helping to find fiscal space in the budget and embedding the social protection floor in the macroeconomic framework of the program supported by the Fund's Policy Support Instrument (PSI). IMF and ILO staff were expected to produce a joint paper on the exercise.

27. **The modalities of the collaboration were clear too**. The collaboration efforts were to take place mainly in the field between the IMF representative and the ILO expert, supervised by the IMF mission chief and with support from IMF and the ILO headquarters. The ILO expert also participated in IMF mission meetings.

28. **The collaboration was rated as "very close" and "very effective," according to IMF and ILO staff and Mozambican authorities interviewed by the IEO.** All of them regarded a close relationship between the IMF resident representative and the ILO social protection expert as an important facilitating factor. The two worked closely on different social protection floor scenarios (by the ILO expert) that yielded cost estimates, and fiscal adjustment scenarios (by IMF staff) that calculated fiscal space. By all accounts, the two had a good rapport and were determined to see the project through. The World Bank, UNICEF, and the Ministry of Women and Social Action were also involved in the work (IMF, 2011b).[12]

29. **The output of the collaboration was a package of programs consistent with a social protection floor costing under one percent of GDP.[13]** The policy package was approved by

[12] According to IMF (2011b), the work involved: (i) a World Bank-led review of existing social security programs and expenditure; (ii) a costing exercise of different scaling-up options, led by the ILO; (iii) an IMF-led assessment of available fiscal space consistent with the macroeconomic framework; and (iv) a simulation of the impact of policy options on the poverty gap, led by UNICEF. Mozambique was a flagship country for the One UN Initiative, which promotes increased coordination between clusters of UN agencies. See ILO, UNICEF, and WFP (2015).

[13] See the case study on Mozambique in Klugman and others (2017).

the government in October 2011 and featured prominently in Mozambique's PRSP. A joint report was presented by IMF and ILO staffs in a seminar at the Brookings Institution in December 2011. The report was issued in 2013 as an ILO Working Paper (Cunha and others, 2013).

30. **The experience in Mozambique raised an issue regarding IMF collaboration with multiple partners.** The World Bank had a country office in Mozambique and was providing advice to the government on the implementation of the National Strategy for Basic Social Security adopted in 2010. According to IMF, ILO, and World Bank staff interviewed, Bank staff initially had differences with the ILO's approach. The Bank's own work had concluded that the first priority for the government was to build up delivery systems for key existing programs and Bank staff considered the ILO recommendation to scale up the social protection floor programs rapidly over the next 3-5 years to be unrealistic. IMF staff did not get involved in the design and implementation aspects of the social protection floor, although they did help to actively advocate for the social protection floor to the Mozambican government. Ultimately it was agreed that the World Bank would take the lead through TA and project support for designing and putting in place the building blocks of the social protection floor (Klugman and others, 2017).

31. **Within the IMF, response to the IMF-ILO collaboration in Mozambique was lukewarm.** While Mozambique was highlighted by COM as a successful example of IMF involvement in social protection—it was featured in the IMF Factsheet on Protecting the Most Vulnerable Under IMF-Supported Programs—staff interviewed for the evaluation told the IEO that neither SPR, FAD, nor the African Department (AFR) considered highlighting the case as a good-practice example of how to implement social protection measures within a sustainable macroeconomic policy framework.

32. **There was little follow-up by the IMF on the SPF-I in Mozambique.** The IMF-ILO collaboration in Mozambique ended after its initial objective was achieved. After the departure of the IMF resident representative and the ILO expert in 2013, subsequent IMF teams stopped monitoring spending on the social protection floor (see Klugman and others, 2017). The emergence of a serious debt crisis in early 2016 moved social protection far down the IMF's list of priorities in Mozambique, and the 2016 version of the Factsheet on Protecting the Most Vulnerable Under IMF-Supported Programs no longer included Mozambique as an example.

El Salvador

33. **In contrast to Mozambique, the IMF-ILO pilot in El Salvador did not go far.** The terms of the collaboration were not made clear to the IMF country team. The pilot itself seemed ill-timed and ultimately the ILO's proposed social protection floor did not win the support of the authorities.

34. **The IMF country team was not involved in the selection of El Salvador as a pilot case.** Neither the IMF nor the ILO had a country office in El Salvador.[14] At the time (early 2011), El Salvador was in the midst an IMF-supported program—a three-year precautionary Stand-By Arrangement (SBA) that was approved in March 2010—and had also negotiated loans with the World Bank and the Inter-American Development Bank (IDB). The authorities had already established their policy priorities, and they and the IMF team were already working with the World Bank and IDB on social protection policies.[15]

35. **IMF staff were unclear about the objective, modalities, and expected output of the collaboration.** According to IMF interviewees, the IMF team was under the impression that the collaboration would be on labor market issues and not social protection. According to ILO interviewees, the ILO social protection specialist (who was based in Geneva) had instructions to travel to El Salvador to discuss with the authorities and the IMF team cost estimates for a social protection floor, and to produce a joint report with the IMF after the exercise. In the event, ILO and IMF staff did not meet face-to-face to discuss the initiative. The collaboration consisted of a few emails between the IMF mission chief and the ILO specialist. Fund staff provided fiscal data and projections to the ILO. They reviewed the ILO's cost projections and reform proposals, and made suggestions for recalibrating the proposals to better reflect the country's priorities and characteristics. According to IMF and ILO interviewees, the ILO expert was appreciative of the IMF's comments.

36. **The IMF team was concerned that the SPF-I would complicate the Fund's ongoing collaboration with the World Bank and the IDB on social protection.** The SBA-supported program included almost one percent of GDP for social protection measures, including an expansion of the conditional cash transfer programs and the introduction of a temporary employment program. These measures were part of the government's anti-crisis program, which had been developed with the support of the World Bank and the IDB. The IMF team was concerned about the feasibility of the ILO's recommendations and the possible inconsistency of the social protection floor vis-à-vis the approach supported by the World Bank and the IDB.

37. **Unlike in Mozambique, there was no joint ownership of the SPF-I by the IMF and ILO in El Salvador.** The IMF team did not promote the social protection floor to the authorities. Interviews with IMF and ILO staff indicated that while the authorities supported the idea of a floor for social protection spending, they did not consider the ILO's specific reform proposals to be feasible or a good match for their own priorities at the time. The ILO expert made a presentation on the SPF-I in El Salvador—there was no joint paper—at the December 2011 Brookings Institution seminar. There was not much IMF-ILO collaboration after that although the ILO has continued to work on the social protection floor in El Salvador (ILO, 2015).

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[14] The IMF regional resident representative for the Central America region was stationed in Guatemala.

[15] See the case study on El Salvador in Tan and Selowsky (2017).

Vietnam

38. **IMF-ILO "collaboration" in Vietnam was the least notable of the three pilots.** The pilot began in early 2011, around the same time as Mozambique. Both the IMF and the ILO had country offices in Vietnam but the ILO social protection specialist was based in the regional office in Thailand. According to IMF and ILO interviewees, there was at least one meeting between the ILO specialist and the IMF resident representative. IMF staff told the IEO that they were not aware of any operational guidelines or terms of reference for the collaboration. As in El Salvador, the collaboration involved provision of data and review of the draft report on the IMF's part. And as in El Salvador, according to interviewees, there was no buy-in from Fund staff or the Vietnamese authorities for a social protection floor, mainly for lack of fiscal space at the time. The report—again, not a joint paper—was prepared and published by the ILO (Bonnet and others, 2012). There was no follow-up on the SPF-I by the IMF in Vietnam.

B. What Happened After the Pilots?

39. **IMF Management publicly reiterated its commitment to the SPF-I in 2012**.[16] In her speech at the UN Conference on Sustainable Development in June 2012, the IMF Managing Director reaffirmed that the IMF was "collaborating closely with the International Labor Organization, the World Bank, and other United Nations agencies on the social protection floor initiative, which helps poor countries set up basic levels of protection at an affordable cost," adding that: "At the end of the day, social protection should not be seen as a cost but as an investment—an investment in sustainable development" (Lagarde, 2012).

40. **Within the IMF, there was skepticism among staff regarding collaboration with the ILO.** According to IMF staff interviewed for this evaluation, there was a broad sense that collaboration was difficult because IMF and ILO staff "did not speak the same language." Some were not entirely convinced that the related work undertaken since the Oslo conference was central to the IMF's mandate and department work programs.

41. **Nonetheless the IMF concluded that the pilots were successful.** In 2013, the IMF and the ILO agreed to take stock of the pilots and decide on how to proceed with their collaboration. The stocktaking was conducted via an exchange of notes between the two organizations—notes were prepared by IMF staff (in September 2013) and ILO staff (in January 2014). The IMF note concluded that joint work in this area had been very successful and proposed extending its scope by being more ambitious with the number of countries covered by the exercise. The ILO note highlighted the success of the Mozambique pilot but observed that there was less collaboration in El Salvador and Vietnam, where most of the work on the social protection floor was done

[16] There was a change in leadership in both institutions after the pilots were initiated. Christine Lagarde replaced Dominique Strauss-Kahn as IMF Managing Director in July 2011. Guy Ryder replaced Juan Somavia as ILO Director-General in October 2012.

exclusively by the ILO. It concluded that the SPIAC-B would provide a useful framework for future coordination on social protection among different agencies.

42. **The IMF proposed a set of new SPF-I pilot countries in 2014 but the collaboration did not resume**. The Managing Director's Global Policy Agenda in the fall of 2014 included a commitment to "[continue] to analyze—jointly with the International Labor Organization—social protection floors, particularly for Africa, ACTs [Arab Countries in Transition], and Latin America" (IMF, 2014). Senior IMF and ILO staff interviewed for this evaluation could not explain why the decision was made to scale up the pilots and why the effort was subsequently abandoned. Some interviewees suggested that the momentum for collaboration may have stalled as the ILO began to focus more on collaborating with the World Bank, with which it co-chairs the SPIAC-B.

IV. COLLABORATION WITH UNICEF

43. **UNICEF works on social protection as part of its mandate to advocate for the protection of children's rights.** Its Social Protection Strategic Framework, published in 2012, promotes the development and expansion of integrated social protection systems (UNICEF, 2012).

44. **There are no guidelines for IMF staff on collaborating with UN programs and funds like UNICEF on social protection**. General arrangements for cooperation and consultation are set out in the 1947 Agreement Between the United Nations and the International Monetary Fund, including consultation and exchange of views and information on matters of mutual interest and reciprocal attendance and participation (without a vote) at certain meetings.[17] The 1996 memo from the Managing Director on ILO collaboration also covered collaboration with the UN, but only in the context of Country Strategy Notes for countries receiving assistance from UN specialized agencies.

45. **The IMF and UNICEF have not seen eye-to-eye in the past.** In the mid-1980s, UNICEF proposed that the IMF modify its approach to macroeconomic adjustment and mitigate the impact of adjustment policies on the health and nutrition of children, the poor, and the vulnerable; it offered to cooperate with the IMF (and the World Bank) to achieve "adjustment with a human face" (Helleiner, Cornia, and Jolly, 1991; Jolly, 1991).[18] In the mid-1990s, UNICEF's report on *The State of the World's Children 1997* criticized IMF-supported structural adjustment programs for "slashing government expenditure … on health and education, on food subsidies and on social services, all needed most by the poor" (UNICEF, 1996). The IMF Managing Director

[17] The IMF is a "specialized agency" within the meaning of Article 57 of the UN Charter, i.e., an independent international organization that participates in the UN system. The IMF was created in 1944 and brought into relationship with the UN when the latter came into existence in 1945.

[18] According to Jolly (1991), the IMF responded that "[c]ooperation between the World Bank and the IMF on adjustment … was difficult enough without the complications of bringing in UNICEF and/or others of the United Nations, let alone extending adjustment policy and program concerns to include issues such as nutrition."

immediately challenged this assertion and demanded that UNICEF "take all appropriate steps to correct the misperceptions" of IMF actions created by report.[19]

46. **In 2008, following the food, fuel, and global financial crises, UNICEF approached the IMF to collaborate on what it termed "recovery with a human face."** The IMF—SPR and the External Relations Department (EXR)[20]—agreed. According to interviewees, staff in both institutions viewed the collaboration as potentially beneficial: IMF staff persuaded Management that collaboration with UNICEF would not only provide reputational gains for the Fund but also expertise on social protection schemes that could be used to inform the design of IMF-supported programs; UNICEF staff hoped to get the IMF to "look at things from the children's point of view" and convince the Fund to advise governments to avoid cuts in social services or social expenditure, and increase public spending to mitigate the impact of the crises and austerity on children.

47. **The collaboration was envisaged at two levels: the headquarters (or institutional) level and the country level.**

- At the headquarters level, collaboration took the form of an exchange of views in joint meetings of senior staff from both institutions.[21] At the first meeting in September 2009, potential areas of common interest were identified, which included: expanding fiscal space in LICs; monitoring the social impact of policy options; and strengthening social protection and social services. At the third meeting in April 2010, both sides agreed on the terms of reference for country-level collaboration and chose 11 pilot countries for the initiative: Armenia, Bolivia, Burkina Faso, Mauritania, Nepal, Nicaragua, Pakistan, Paraguay, the Republic of Congo, Tajikistan, and Togo. The selection criteria were that there be: (i) an active IMF-supported program in the country; and (ii) a UNICEF country team with local capacity in macroeconomics

- At the country level, it was agreed that the collaboration would entail enhanced staff contacts in the field and in-depth discussions on protecting core social spending in the pilot countries, and that progress in collaboration would be assessed every six months.

48. **The negotiation of the terms of reference for the country pilots revealed considerable differences in expectations**. Based on interviews with IMF and UNICEF staff who were involved in the discussions, the IMF originally proposed one pilot country, whereas UNICEF argued for a larger roll-out to signal a serious commitment by the Fund. The fact that EXR was spearheading the collaboration initiative suggested to the UNICEF representatives that the IMF's

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[19] Letter by the Managing Director to the Executive Director of UNICEF, December 19, 1996.

[20] At the time, COM was known as EXR.

[21] The IMF side was led by the EXR director and senior managers from the AFR, FAD, and SPR. The UNICEF side was led by the Director of Policy and Practice.

primary motivation for collaboration was for public relations purposes. On the IMF side, staff pushed back against UNICEF's request to protect and/or increase spending on social protection in every case, explaining that larger fiscal deficits can be accommodated only where feasible and that the IMF has little influence on the composition of a country's social spending, which is up to the national government.

49. **Collaboration at the headquarters level run into a bump in 2011.** In the fall of 2011, a U.K. newspaper article challenged the IMF's public commitment to shield the poor from the worst of the global downturn.[22] The article was based on a paper by UNICEF staff (Ortiz, Chai, and Cummins, 2011), an earlier version of which had been shared with and had received comments from IMF staff. Although some UNICEF staff considered the article a misinterpretation of their views, some IMF staff saw it as a "betrayal of trust" (according to interviewees), arguing that the paper inappropriately extrapolated IMF policy advice that was oriented primarily toward advanced economies and that it did not provide clear evidence that reductions in aggregate government expenditures necessarily led to cuts in social spending, particularly spending well targeted to the poor.[23] More fundamentally, the rift revealed how little progress had been made in reaching a meeting of the minds at the institutional level. UNICEF staff generally held on to their view that public expenditures on social protection should be seen as investments and policies to restore medium-term macroeconomic sustainability had to be balanced against those to protect and support children and poor households in the immediate term. IMF staff generally held on to their view that fiscal deficits had to be managed to ensure fiscal sustainability.

50. **Collaboration at the country level fared better.** At the time, UNICEF had just doubled its country presence, so there was no shortage of country teams in the field although UNICEF staff themselves acknowledged that few had a macroeconomics background. The terms of reference for the country pilots were not specific regarding the collaboration modalities or expected outputs. In the event, the 11 pilots proceeded with different levels of collaboration, depending on country circumstances and team commitment, and yielded different results.

51. **In-country collaboration was close and tangible outcomes were documented in half of the pilot cases:**

- In Armenia, IMF and UNICEF staff produced a one-page joint note which was published as an annex to the staff report for the second review of the 2010 blended arrangement under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) (IMF, 2011c).

[22] "Austerity measures risk irreversible impact on children, warns UNICEF," *The Guardian*, September 25, 2011.

[23] Deacon (2013) provides an account of this episode from UNICEF's perspective. According to this account, the collaborative relationship between the IMF and UNICEF began to deteriorate in early 2010 when the IMF started to advise fiscal consolidation and exit from crisis intervention policies, and UNICEF staff began to produce analytical work critical of these policies (Ortiz, Vergara, and Chai, 2010). The IMF complained, and UNICEF staff were "instructed not to work on this topic" (Deacon, 2013).

The ECF/EFF-supported program included structural benchmarks related to introducing an integrated system for the provision of social protection services.

- In Burkina Faso, IMF-UNICEF collaboration was credited with contributing to higher social protection spending in the ECF-supported program.[24]

- In the Republic of Congo, the IMF-UNICEF collaboration helped to accelerate key social spending, particularly in the health sector.[25]

- In Mauritania, the 2009 ECF-supported program incorporated a study of existing social protection and safety nets schemes led by UNICEF; the authorities committed to launching the study as part of the program request (IMF, 2010c), and to preparing a national social protection strategy in line with the recommendations of the study, as part of the Second Review (IMF, 2011d).

- In Togo, the IMF and UNICEF (together with other development partners) contributed to the development of a national social protection strategy (IMF, 2011e).

- In Nicaragua, IMF and UNICEF staff jointly encouraged the authorities to undertake studies analyzing the effectiveness, efficiency, and redistributive impact of social spending, one of those studies was incorporated as part of the commitments in the sixth review of the 2007 PRGF/ECF-supported program and in the authorities' updated PRSP (see IMF, 2011a).

52. **Collaboration was limited in other pilots, mainly because there was no active IMF program**. The last IMF program in Bolivia had ended in March 2006; the last one in Nepal had ended in November 2007; the last one in Paraguay had ended in August 2008; and the 2008 SBA in Pakistan had gone off-track after the fourth review in May 2010. In Tajikistan, IMF and UNICEF staff exchanged views and information but no collaboration output was reflected in the 2009 PRGF-supported program.

53. **The collaboration was not sustained after 2011.** The fourth and last meeting of IMF and UNICEF staff took place at IMF headquarters in December 2011 when the two groups took

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[24] UNICEF's 2013 overview of its program in Burkina Faso claimed that its partnership with the IMF "led to the inclusion of social protection amongst the priorities of the 2013 budget and resulted in increased financial contribution for social protection from 5.37% to 8.72%" (https://www.unicef.org/bfa/english/Programme_Overview__Social_Policy_Nov_14.pdf). IMF documents on Burkina Faso did not attribute specific outcomes to the collaboration (see Klugman and others, 2017).

[25] In late 2010, the Republic of Congo experienced a deadly outbreak of wild poliovirus, which caused over 200 deaths within a month, mainly among young adults. UNICEF, together with the WHO, was supporting mass polio immunization campaigns targeting the entire population by ensuring the availability of vaccines. In December 2010, the IMF team helped to unblock budgetary funds for vaccination campaigns for poliomyelitis and measles; some 5,000 children received vaccinations as a result.

stock of their collaboration at the global and country levels and discussed how to best move the partnership forward. Although both institutions viewed the experiences of the pilot countries as "overwhelmingly positive" overall, there appears to have been no follow-up since then. According to IMF and UNICEF interviewees, contributing reasons included: staff turnover in both institutions; changes in country circumstances; changes in external circumstances (food and fuel prices fell and the financial crisis abated, hence, some of the initial concerns became less urgent); and change in focus (the IMF turned its attention to its collaboration with the ILO, and UNICEF to other partners as well).

V. COLLABORATION WITH OTHER INSTITUTIONS

54. **The IMF did not have any formal collaboration initiatives with the OECD on social protection during the evaluation period.** As noted in the staff survey results (Wojnilower and Monasterski, 2017), IMF staff did draw on OECD data and research in their work, mostly in the context of surveillance. However, there was little evidence that staff consulted with the OECD on social protection issues in the handful of OECD member countries that had a Fund arrangement during the evaluation period.[26] OECD staff interviewed for this evaluation confirmed that their views on social protection issues were rarely sought by the Fund during the euro area crisis, and suggested that this was a missed opportunity for closer collaboration between the two institutions.

55. **Cooperation with regional institutions on social protection issues took place at the country level.** Among the regional development banks, IMF missions worked with the Asian Development Bank (ADB) and the IDB in several countries in a program and/or TA context during the evaluation period. A country-level assessment of cooperation with these regional institutions was beyond the scope of this paper, although interviews with IMF Area Department staff did not uncover any problems with such cooperation. In European Union (EU) member countries, IMF missions collaborated with the European Commission (EC) on social protection issues in the context of programs (particularly on issues of pension reform) but the experience was not always smooth (Heller, 2017). IMF staff for the most part rated their cooperation with other institutions on social protection as "moderately effective" (Wojnilower and Monasterski, 2017).

VI. OVERALL ASSESSMENT OF INSTITUTIONAL-LEVEL COLLABORATION

56. **The IMF's concept of "collaboration" is extremely broad and covers a variety of modalities.** Collaboration is normally understood to involve joint effort and shared goals, as distinct from cooperation which is accomplished by the division of labor among participants.[27]

[26] OECD members that had an IMF arrangement during the evaluation period were Greece, Hungary, Iceland, Ireland, Poland, and Portugal. As noted in Wagner and Zhou (2017), IMF staff consulted with OECD pension experts in the course of Ireland's EFF-supported program.

[27] Roschelle and Teasley (1995) define collaboration as "a coordinated, synchronous activity that is the result of a continued attempt to construct and maintain a shared conception of a problem" and cooperation as "an activity where each person is responsible for a portion of the problem solving."

Consistent with the IMF's concept of collaboration, this paper covered collaborative activities as well as cooperation efforts, ranging from joint efforts with shared goals to merely exchange of information.

A. Main Findings

57. **There was little clear guidance to IMF staff on the objective, modalities, and expected output of collaboration with other institutions on social protection.** IMF guidance on collaboration with the World Bank emphasized the division of labor between the two institutions where the precise collaborative aspects with respect to social protection (e.g., joint output or expected collaboration outcome) were rarely formalized. In contrast, the collaboration initiatives with the ILO and UNICEF had an explicit social protection focus, but the SPF-I collaboration exercise with the ILO provided no specific operational guidance to the staff involved in the pilots and the guidance contained within the terms of reference for the UNICEF country pilots was very general.

58. **The longstanding division of labor between the IMF and the World Bank generally put social protection under the Bank's primary responsibilities.** During the evaluation period, the World Bank's Social Protection and Labor work was concentrated in middle-income countries, particularly in Latin America and the Caribbean, and Europe and Central Asia. Bank-Fund cooperation in the area of social protection also took place in the context of the PRS approach in LICs. A country-level assessment of Bank-Fund collaboration on social protection was beyond the scope of this paper, although evidence from country case studies in Feltenstein (2017), Heller (2017), Klugman and others (2017), and Tan and Selowsky (2017) generally pointed to an effective division of labor and good cooperation.

59. **While past IEO evaluations expressed concern at the lack of cooperation between the IMF and the World Bank on PSIA, in practice the Fund was able to undertake the needed analysis over the past decade largely using its own resources.** Since 2008, PSIA has been "mainstreamed" into FAD's expenditure policy work, particularly in the context of food and fuel subsidy reforms, and staff has not had to rely on the World Bank for such analysis. IMF staff interviewed for this evaluation did not complain about getting PSIA done on a timely basis by FAD during the evaluation period.

60. **On balance, the IMF-ILO SPF-I pilots had limited success.** Of the three pilots, this paper found effective collaboration only in Mozambique, where the IMF country team strongly believed in the need for greater social protection and worked closely with the ILO social protection specialist to successfully persuade the government to adopt a social protection floor. In the other two pilots, there was very little interaction, let alone collaboration, between IMF and ILO staff. The collaboration effort was eventually discontinued.

61. **The IMF-UNICEF initiative had some success at the country level but not at the headquarters level**. The 11 country pilots proceeded with different levels of collaboration,

depending on country circumstances and team commitment. Six pilots were able to point to some tangible result of collaboration. However, collaboration at the institutional level revealed several challenges, including how to develop shared goals while respecting differences in institutional mandates and approaches to social protection, and how to set realistic and clear expectations for collaboration.

62. **There were no institutional collaboration initiatives on social protection with other institutions during the evaluation period.** This paper did not assess IMF cooperation with regional institutions or bilateral aid agencies (such as the United States Agency for International Development and the United Kingdom's Department of International Development) on social protection at the country level.

63. **The IMF's more successful collaboration with the World Bank compared to other partner institutions seems to reflect both institutional and historical factors.** The institutional mandate of the IMF is more closely related with that of the World Bank than, for instance, the ILO and UNICEF, which implies that Bank-Fund collaboration has often been rooted in shared policy priorities and approaches. Moreover, there is a long and established history of collaboration between the Fund and the Bank, supported by detailed operational guidelines that have been revised over the years to ensure effective collaboration between the two institutions. In contrast, the IMF's collaboration with the ILO and UNICEF on social protection was more recent, the scope of the initiatives were more limited, and operational guidelines were largely lacking. Finally, the locational proximity of Fund and Bank offices may have helped in facilitating communication between their teams.

B. Key Issues

64. **How should the IMF work with institutions that have different policy priorities or approaches to social protection?** As sister institutions, the IMF and the World Bank generally shared common goals. IMF collaboration with UN agencies (the ILO and UNICEF), however, faced difficulties when the IMF's concern for fiscal sustainability and support for well targeted social benefits conflicted with the UN's rights-based approach to social protection which advocates universal coverage and access to social protection. Procedures to resolve institutional differences and find common ground should be established ahead of any collaboration exercise. In an area like social protection where the IMF is not the global leader and where the rights-based approach appears to be the predominant approach to social protection in the development community (including the World Bank since 2015), the IMF would need to maintain open lines of communication with institutions holding different views and find ways to work constructively with them.

65. **How should the IMF work with institutions that have a different operational structure and timeframe?** This is an old issue that has posed challenges for the IMF's collaboration efforts, not just in social protection but more broadly. Typically, IMF staff work on short deadlines, especially in the context of program reviews. Past IEO evaluations noted that the

World Bank's timetable did not always fit with that of IMF program design and that it was unrealistic for the IMF to expect the Bank to implement or coordinate PSIA for any given reform on request. The IMF appears to have solved this problem by developing its own (albeit limited) capacity in PSIA.

66. **What should the IMF do when multiple partner institutions have divergent views on specific social protection design or implementation issues?** IMF staff are instructed to rely on the expertise of other partner institutions for the design and implementation details of social protection policies, but in some cases the expert views of these institutions may differ. How should IMF staff, without much expertise in this area, decide which view to follow? In the IMF-ILO pilot cases, the practice varied: in El Salvador, the IMF team chose to rely on the World Bank instead of supporting the ILO whereas in Mozambique, the IMF team decided to go along with the ILO despite initial objections from the World Bank. It would be helpful if staff could be guided by basic principles or an institutional view in such circumstances since the IMF will ultimately be accountable for the social protection policies it endorses.

ANNEX 1. WHO OVERSEES IMF COLLABORATION WITH OTHER INSTITUTIONS ON SOCIAL PROTECTION ISSUES?

Currently, there appears to be no single focal point within the IMF for formulating strategies and providing operational guidance to staff on collaborating with other organizations on social protection issues. This may reflect the lack of a clear institutional strategy for social protection, as the IMF's involvement in this policy area has been largely seen as indirect. Various departments have initiated and/or participated in collaboration efforts with other organizations based on their functional responsibilities.

At the institutional level, SPR leads interactions with the World Bank, the UN agencies, and the ILO. SPR plays a central in developing policy strategies for the IMF and preparing operation guidelines for implementing them. SPR is responsible for monitoring implementation of the Joint Management Action Plan (JMAP) to strengthen Bank-Fund collaboration. It works with the World Bank's Poverty Reduction and Economic Management Network and prepares progress reports and guidance notes. SPR is also in charge of liaising with the UN agencies and the ILO, working directly through the IMF's Special Representative to the UN.

COM oversees interactions with CSOs—such as labor unions and non-governmental organizations—and parliamentarians. Until a few years ago, COM was also in charge of interactions with UN agencies (this role has been shifted to SPR). As the focal point for all IMF public information activities, including building relations with media, civil society, and policymakers, COM coordinates and leads interactions with CSOs at the institutional level. Area Department staff and IMF resident representatives can directly handle contacts with CSOs at the country level but are expected to do so as much as possible with the knowledge of COM (IMF, 2015a). COM provides guidance to staff on consistency of messages and communications, and advice on best practices in engagement with CSOs.

FAD is responsible for collaboration with the World Bank on public expenditure policy issues. Together with SPR, it collaborates with, and reviews papers of the UN, OECD, and other international organizations on social sector and poverty-related issues. In addition, it liaises with the WHO on health policy issues. FAD staff organize and participate in external conferences on a variety of expenditure policy topics.

Area Department staff and resident representatives also frequently take initiatives to engage with World Bank or UN country teams at headquarters as well as in the field.

ANNEX 2. CONCLUSIONS FROM PAST IEO EVALUATIONS ON IMF COLLABORATION WITH OTHER INSTITUTIONS

Past IEO evaluations have examined the IMF's collaboration with other organizations in various areas of Fund policies and activities (Table A.2.1). For example, the effectiveness of collaboration with the World Bank was assessed in IEO (2004), IEO (2007), and IEO (2014b) in the context of the Poverty Reduction Strategy (PRS) approach; in IEO (2006) in the context of Financial Sector Assessment Programs; and in IEO (2009) in the context of structural conditionality. Other IEO evaluations have examined IMF collaboration/cooperation with the World Trade Organization (IEO, 2009), with the Financial Stability Board (IEO, 2014a), and with the Troika partners (IEO, 2016).

These evaluations all called for further strengthening the IMF's collaboration with other institutions and, more specifically, for developing or improving guidelines for IMF engagement with partners. The evaluations identified various operational challenges to effective collaboration, such as different institutional mandates and operational structures; and staff incentives and personal "chemistry". The evaluations also found that while inadequate operational guidance often posed problems for effective collaboration, guidelines that focused too much on documents and procedures and too little on accountabilities could be unhelpful as well. One central issue in recent evaluations has been how to reap the benefits of collaboration while protecting the IMF's independence at the same time.

Most relevant to this evaluation are the findings related Bank-Fund collaboration on poverty reduction strategy. IEO (2004) found that PSIA was "far from being 'mainstreamed' in program design," partly because "the arrangements for setting and delivering on priorities for such analysis within a broader partnership framework were not well specified," resulting in a lack of resources allocated to this purpose and coordination problems with the World Bank. Specifically, that evaluation noted that: "The implicit assumption that the World Bank will act as the "agent" for the IMF in implementing or coordinating PSIA in areas of importance to the Fund can pose problems. If the Bank is not actively engaged in lending associated with a particular area, it has little incentive to devote its own scarce resources to analyzing the issue. The Bank's timetable may also not fit with that of IMF program design" (IEO, 2004). IEO (2007) also found ineffective Bank-Fund collaboration on PSIA. A joint revisit of these two evaluations in 2014 found still "limited Bank-Fund collaboration on PSIA in the post-2007 period" (IEO, 2014b).

Table A.2.1. Conclusions and Recommendations of Past IEO Evaluations on Collaboration with Other Institutions

IEO Evaluation	Conclusion/Recommendation
IMF's Role in PRSPs and the PRGF (IEO, 2004)	"[T]he BWIs [Bretton Woods institutions] have not used the PRS approach sufficiently as a mechanism for identifying priorities on what they should deliver and for coordinating key inputs from other partners, drawing on the countries' own priorities. For the IMF, this has meant that scheduling and integrating inputs from the World Bank into program design remains difficult."
Financial Sector Assessment Program (IEO, 2006)	"The evaluation suggests that the joint nature of the exercise has brought considerable advantages in practice. In particular, organizing joint teams that included both IMF and World Bank staff members (as well as outside experts) has contributed significantly to the depth of analytical expertise and credibility of the findings in many, but not all cases." "Recommendation 6. Maintain the current joint approach, but clarify further the distinctive contributions the Fund and Bank can make, with the IMF taking the lead where significant domestic or global stability issues are present, and the Bank taking the lead where financial sector development issues are more paramount. Such clarity should include a clear delineation of primary responsibilities for setting priorities (and contributing resources)."
The IMF and Aid to Sub-Saharan Africa (IEO, 2007a)	"Of the key features distinguishing the PRGF from the ESAF, fiscal governance has been far more systematically treated than other elements, such as the use of social impact analysis or the pro-poor and pro-growth budget provisions. The strong PRGF efforts on fiscal governance reflect … effective Fund-Bank collaboration, grounded in professional capacity in both institutions. Executive Directors' support for poverty and social impact analysis (PSIA), though strong, has been more measured; social analysis is less central to the IMF's core mandate; and the tailoring of PSIA to PRGF needs was initially stymied by unrealistic expectations of how Fund-Bank collaboration might work on the issue, with more recent efforts focused on in-house analysis. Weak Fund-Bank collaboration has also been a factor in the IMF's failure to pay more attention to infrastructure-related growth and competitiveness linkages and their possible macroeconomic implications for the programmed spending and absorption of additional aid." "The Executive Board should reaffirm and/or clarify IMF policies on … PSIA, and pro-poor and pro-growth budget frameworks. Based on these reaffirmations and/or clarifications, management should provide clear guidance to staff on what is required, encouraged, permitted, and/or prohibited—including in working with the World Bank and other partners—and ensure effective implementation and results."
Structural Conditionality in IMF-Supported Programs (IEO, 2007b)	"Cooperation with the World Bank. The sustainability of structural reforms and macroeconomic adjustments often depends on changes in a country's wider public sector and on restructuring of quasi-fiscal expenditures. In setting SC [structural conditionality] in these areas, however, the IMF should play a subsidiary role to that of the World Bank, which has primary responsibility and greater expertise in these areas ... Explicit Board guidance would still be needed in instances in which policy changes in non-core areas are deemed critical but effective cooperation with the Bank is unlikely to crystallize in time."
IMF Involvement in International Trade Policy Issues (IEO, 2009)	"Cooperation with other organizations on trade policy issues worked, though some potential synergies were or could be lost. Though a formal framework exists for cooperation and coherence in the work of the WTO and IMF, the scope for tensions (for example, between multilateral and unilateral approaches to liberalization or market-based and trade policy responses to balance of payments pressures) was evident during the evaluation period. Informal contacts between staff of the two institutions and the IMF's diminishing role in trade conditionality kept flare-ups at bay. But other potential tensions, especially with respect to possible charges of exchange rate manipulation for trade purposes, lie below the surface. As for other institutions pursuing approaches to trade policy more similar to the IMF's, work with the World Bank was on occasion strong, but that with the OECD, UNCTAD, and regional development banks was unfortunately not frequent." "Institutional cooperation. As difficult as interinstitutional cooperation can be, there is no cost-effective alternative to making it work when it comes to trade policy. To spearhead such cooperation, management and a small number of senior staff need to commit to regular and formal meetings—for example, once a year—with counterparts in other key international organizations involved with trade. These meetings should cover the landscape of trade policy and trade flows so that institutions can have a common view and jointly consider how to respond to anticipated trade issues. IMF management should report to the Committee on Liaison with the World Bank and Other International Organizations and/ or the Executive Board/International Monetary and Financial Committee on proceedings of the meetings and plans for staff-level coordination."

Table A.2.1. Conclusions and Recommendations of Past IEO Evaluations on Collaboration with Other Institutions (Concluded)	
IEO Evaluation	Conclusion/Recommendation
IMF Response to the Financial and Economic Crisis (IEO, 2014a)	"The IMF participated in, and helped coordinate, global and regional initiatives, including with the G20 and the FSB. These initiatives facilitated the response to various aspects of the crisis and enhanced the traction of IMF analysis and advice. In many cases, however, these partnerships raised questions about the IMF's role, accountabilities and independence, as well as about how to ensure uniform treatment of all member countries." "The IMF should develop guidelines for structuring engagements with other organizations, whether as a member or a partner. These guidelines should clarify the IMF's roles and accountabilities in order to protect the institution's independence and to ensure treatment of all members."
Revisiting the 2004 IEO Evaluation of the IMF's Role in PRSPs and the PRGF and the 2007 IEO Evaluation of the IMF and Aid to Sub-Saharan Africa (IEO, 2014b)	"Bank-Fund collaboration. Over the past decade, collaboration with the World Bank on LICs has been structured around the PRSP process, which was an integral part of the requirements related to LIC programs in both institutions. PRSPs and JSAs/JSANs also served as organizing tools for much of the two institutions' analytical and diagnostic work in LICs. Both institutions will need to find alternative processes to coordinate their work now that the World Bank will not require the PRSP and related documentation as part of its operational work. Therefore, over the coming months, IMF Management and senior staff will need to work closely with their counterparts at the World Bank to establish new protocols that ensure that both institutions cooperate effectively to further the poverty-reduction agenda. These new processes and protocols will need to build on the lessons of experience, which indicate that collaboration works best where there are clear and complementary institutional mandates, defined links to core Fund and Bank activities, and a shared understanding of the respective staff roles and responsibilities, e.g., on the joint work on debt relief (and DSAs), public financial management, and PRSPs and JSANs. They also will need to take account of the fact that coordination has worked less well on PSIA, an activity where mandates and incentives have not been well aligned and where differences in institutional cultures and timeframes have made effective cross support difficult to achieve."
The IMF and the Crises in Greece, Ireland, and Portugal (IEO, 2016)	"The troika arrangement in most instances proved to be an efficient mechanism for conducting program discussions with national authorities at the staff level in a situation where there was more than one conditional lender. Even so, given the multiple layers of decision making in the euro area, the IMF lost its characteristic nimbleness and agility as a crisis manager. Because the European Commission represented the Eurogroup (and thus euro area governments), the troika arrangement potentially subjected the IMF staff's technical judgements to political pressure from an earlier stage than is normally the case. The IMF had no established principles for joint lending operations. Nor was there a clear demarcation of responsibilities, an agreed policy on the sharing of confidential information, a mechanism to address differences of view, or a unified analytical or conditionality framework." "Recommendation 4: The IMF should establish a policy on cooperation with regional financing arrangements… Areas where clarity could be provided include: (i) sharing of confidential information; (ii) procedures to address differences of view at the mission level and up; (iii) avoidance of cross-conditionality and inconsistent conditionality, especially in overlapping policy areas such as fiscal policy, financial sector restructuring, and structural reforms, and, in the event one institution were to decide to proceed without the others, mutual understanding of the conditions for such action including the scope for informal communication prior to taking the formal decision; (iv) efforts to reduce the burdens placed on country authorities by large mission teams and duplication of information requests; (v) implications for the actions of the other institution of overdue obligations, or arrears, to one institution by a borrowing country; and (vi) conditions for requests to the IMF to provide technical assistance, such as took place in the case of Spain, and the modalities to be used by the IMF."

ANNEX 3. GUIDANCE ON COLLABORATION WITH THE WORLD BANK

There is extensive guidance within the IMF on collaboration with the World Bank, covering the division of labor as well as protocols and operational procedures. The managements of the IMF and the World Bank have long emphasized the utmost importance of aligning their work and minimizing duplications while respecting the division of their primary responsibilities. Bank and Fund guidelines on collaboration have been in place and reviewed periodically since 1966.

The objective of Bank-Fund collaboration, as laid out in the 1989 Concordat, is "to serve member governments with maximum effectiveness in meeting their development needs and in providing support for macroeconomic and structural change" and "to ensure that conflicts of views are resolved at an early stage, do not surface in contacts with country authorities, and do not result in differing policy advice to member countries" (IMF, 1989). In that regard, the Concordat sets out procedures for enhanced collaboration to assure resolution of issues. Additional guidance on procedures to enhance Bank-Fund collaboration were elaborated in IMF (1995), IMF (1998), IMF (1999), IMF (2002a), IMF (2002b), IMF (2003), IMF (2004), IMF (2007b), and IMF (2010a).

Since the 1990s, social protection has been explicitly considered part of the core expertise of the World Bank and not of the IMF (Table A.3.1).

Operational guidance pertaining to collaboration on social protection alone do not exist, but references can be found in various guidance notes, especially for work related to LICs and public expenditure (Table A.3.2).

Table A.3.1. Bank-Fund Collaboration: Delineation of Responsibilities	
Fund-Bank Collaboration—Memo from Managing Director to Department Heads, December 13, 1966	"As between the two institutions, the Bank is recognized as having primary responsibility for the composition and appropriateness of development programs and project evaluation, including development priorities. On those matters, the Fund, and particularly the field missions of the Fund, should inform themselves of the established views and positions of the Bank and adopt those views as a working basis for their own work. This does not preclude discussions between the Bank and the Fund as to those matters, but it does mean that the Fund (and Fund missions) will not engage in a critical review of those matters with member countries unless it is done with the prior consent of the Bank." "As between the two institutions, the Fund is recognized as having primary responsibility for exchange rates and restrictive systems, for adjustment of temporary balance of payments disequilibria and for evaluating and assisting members to work out stabilization programs as a sound basis for economic advance. On these matters, the Bank, and particularly the field missions of the Bank, should inform themselves of the established views and positions of the Fund and adopt the views as a working basis for their own work. This does not preclude discussion between the Bank and the Fund as to those matters but it does mean that the Bank (and Bank missions) will not engage in a critical review of chose matters with member countries unless it is done with the prior consent of the Fund." "In between these two clear-cut areas of responsibility of the Bank and the Fund, respectively, there is the broad range of matters which are of interest to both institutions. This range includes such matters as the structure and functioning of financial institutions, the adequacy of money and capital markets, the actual and potential capacity of a member country to generate domestic savings, the financial implications of economic development programs both for the internal financial position of a country and for its external situation, foreign debt problems, and so on. In connection with all such matters, efforts should be made to avoid conflicting views and judgments, through continuing close working relations between the respective area departments and other means."
Bank-Fund Collaboration in Assisting Member Countries (Concordat), March 31, 1989	"[T]he Fund has focused on the aggregate aspects of macroeconomic policies and their related instruments—including public sector spending and revenues, aggregate wage and price policies, money and credit, interest rates and the exchange rate. The Fund has to discharge responsibilities with respect to surveillance, exchange rate matters, balance of payments, growth-oriented stabilization policies and their related instruments. These are the areas in which the Fund has a mandate, primary responsibility, and a record of expertise and experience." "[T]he Bank has focused on development strategies; sector and project investments; structural adjustment programs; policies which deal with the efficient allocation of resources in both public and private sectors: priorities in government expenditures; reforms of administrative systems, production, trade and financial sectors; the restructuring of state enterprises and sector policies. Moreover, as a market-based institution, the Bank also concerns itself with issues relating to the creditworthiness of its members. In these areas, except for the aggregate aspects of the economic policies mentioned in the previous paragraph, the Bank has a mandate, primary responsibility, and a record of expertise and experience."
Report of the Managing Director and the President on Bank-Fund Collaboration, September 25, 1998	"While the broad delineation in the 1989 Concordat of the areas of each institution's primary responsibilities continues to be appropriate, there remains an overlap in some areas—because of the interaction between macroeconomic and structural aspects—and there are some newer areas of activity not covered in the Concordat. Areas of overlap in which both institutions have a mutual interest include elements of financial sector work and some elements of public sector reforms, where traditionally both institutions have been involved … In the public sector, primary responsibility in public enterprise reform, public expenditure (composition and efficiency), administrative and civil service reform resides with the Bank. The Fund has primary responsibility for the aggregate aspects of public sector spending and revenues. Tax policy and administration is an area of overlap. There are overlapping responsibilities in issues of transparency, governance, corruption and legislative reform, trade policy, and debt. New areas of work, whose importance has emerged more recently, include notably, corporate sector (restructuring, accounting, auditing and disclosure, and governance), judicial reforms, environment, and social protection and development where the Bank has primary responsibility."

Table A.3.1. Bank-Fund Collaboration: Delineation of Responsibilities (Concluded)	
Summing Up by the Acting Chair: *Bank/Fund Collaboration on Public Expenditure Issues*, March 12, 2003	"Directors stressed that strengthened collaboration between the Fund and the Bank should maintain a clear division of labor between the two institutions. The Fund should be the lead agency on the aggregate aspects of macroeconomic policy and their related instruments, and the Bank on issues relating to public expenditure composition and efficiency, while close coordination between both in areas of joint responsibility should help ensure complementarity and avoid conflicting policy advice to country authorities."
Guidelines for World Bank and IMF Staffs for Joint Staff Advisory Notes (JSAN) for Poverty Reduction Strategy Papers, July 1, 2005	"The Fund's core areas are macroeconomic policies (monetary, fiscal, and exchange policies) and directly related structural reforms. The Bank's core areas are design of poverty reduction strategies (including poverty diagnostics, sectoral strategies, effectiveness of public expenditures, and social safety nets) and structural, and social reforms and governance reforms (including legal and judicial reforms). Overlapping areas are the environment for private sector growth, trade, financial sector, tax and customs policy administration, and issues related to public expenditure management, budget execution and monitoring, and fiscal transparency, as well as public sector governance."

Table A.3.2. Bank-Fund Collaboration: Guidance Pertaining to Social Protection	
Summing Up by the Acting Chairman: *Social Safety Nets in Economic Reform*, June 2, 1993	"To ensure efficient use of the Fund's scarce staff resources, however, Fund staff should continue and indeed strengthen collaboration with World Bank staff in order to draw on World Bank expertise and to avoid any overlap or conflict in advice offered by the Fund and the World Bank."
Summing Up by the Acting Chairman: *Aging Populations and the Fiscal Consequences of Public Pension Schemes with Particular Reference to the Major Industrial Countries; and Pension Regimes and Saving*, February 7, 1996	"With regard to the role of the Fund in the area of pensions, Directors emphasized that the Fund should focus on the macroeconomic implications for saving, growth, budget positions, labor markets, etcetera ... Specialized work and detailed advice to members on pension systems could in general best be fielded by the OECD and the World Bank."
Concluding Remarks by the Chairman: *Review of Social Issues and Policies in IMF-Supported Programs; HIPC Initiative—Strengthening the Link Between Debt Relief and Poverty Reduction; and Transforming the ESAF*, September 13, 1999	"All Directors emphasized that, as regards social issues, the World Bank and other relevant international organizations have the primary mandate and expertise ... Directors, therefore, underscored that the social components of countries' IMF-supported programs should draw, to the fullest extent possible, on the work of the World Bank and other relevant institutions … Overall, Directors agreed that more intensive cooperation between the IMF and the Bank is essential, proceeding along the lines of these institutions' respective responsibilities and comparative advantages, and thus avoiding duplication of efforts."
Concluding Remarks by the Chairman: *Poverty Reductions Strategy Papers—Operational Issues; Poverty Reduction and Growth Facility—Operational Issues*, December 21, 1999	"For social policies, most poverty-reducing measures and other structural policies within the Bank's primary mandate, the Fund staff should ascertain whether the Bank staff has any major outstanding concerns about the adequacy of implementation before Fund management determines whether to recommend Board approval of disbursements under the PRGF arrangement."
Key Features of IMF Poverty Reduction and Growth Facility (PRGF) Supported Programs, August 15, 2000	"The primary responsibility for helping countries to assess the distributional impact of reform measures and to develop ways to mitigate them lies with the World Bank. PRGF staff reports would, nevertheless, need to address how the analysis was being carried out, and how the results of this analysis had shaped the relevant policies."
Concluding Remarks by the Acting Chair: *Strengthening IMF-World Bank Collaboration on Country Programs and Conditionality—Progress Report*, September 11, 2002	"Public expenditure management was cited as an area in which better collaboration is needed; a few Directors also stressed the importance of operationalizing Poverty and Social Impact Assessments (PSIAs)."
Summing Up by the Acting Chair: *Bank/Fund Collaboration on Public Expenditure Issues*, March 12, 2003	"Directors stressed that strengthened collaboration between the Fund and the Bank should maintain a clear division of labor between the two institutions. The Fund should be the lead agency on the aggregate aspects of macroeconomic policy and their related instruments, and the Bank on issues relating to public expenditure composition and efficiency, while close coordination between both in areas of joint responsibility should help ensure complementarity and avoid conflicting policy advice to country authorities."
Acting Chair's Summing Up: *Strengthening IMF-World Bank Collaboration on Country Programs and Conditionality: Progress Report*, March 17, 2004	"Most Directors looked forward to strengthened coordination on the preparation of poverty and social impact analysis (PSIA), which they viewed as a critical instrument to help ensure the effectiveness of the Fund's role in low-income countries. Directors underscored that the Fund should look to the Bank to assist on PSIA for reforms in Fund-supported programs, as this would be the best way of fully utilizing the relative strengths of each institution. At the same time, most Directors acknowledged that some in-house capability in this area will be necessary, in particular, to facilitate the integration of PSIA into PRGF-supported programs."

Table A.3.2. Bank-Fund Collaboration: Guidance Pertaining to Social Protection (Concluded)	
Guidelines for World Bank and IMF Staffs for Joint Staff Advisory Notes (JSAN) for Poverty Reduction Strategy Papers, July 1, 2005	"In preparing a JSAN, lead responsibility among Bank and Fund staff should be divided in line with primary institutional competencies, taking into consideration that there are areas of overlapping competence and important linkages among areas … The Fund's core areas are macroeconomic policies (monetary, fiscal, and exchange policies) and directly related structural reforms. The Bank's core areas are design of poverty reduction strategies (including poverty diagnostics, sectoral strategies, effectiveness of public expenditures, and social safety nets) and structural, and social reforms and governance reforms (including legal and judicial reforms). Overlapping areas are the environment for private sector growth, trade, financial sector, tax and customs policy administration, and issues related to public expenditure management, budget execution and monitoring, and fiscal transparency, as well as public sector governance."
Acting Chair's Summing Up: *Independent Evaluation Office—The IMF and Aid to Sub-Saharan Africa,* March 5, 2007	"[M]ost Directors confirmed that distributional policies generally lie outside the Fund's core mandate and that poverty and social impact analysis (PSIA) should be conducted by other agencies in the context of the PRSP process, although others saw a continuing role for the Fund. Directors noted that PSIAs have not systematically supported PRGF program design, and emphasized the importance of improving Fund collaboration with development partners, in particular the World Bank, to take these issues into account when helping countries formulate their macroeconomic policies."

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