

**Implementation Plan in Response
To The Board-Endorsed
Recommendations From The IEO
Evaluation Report On IMF
Collaboration With The World
Bank On Macro-Structural Issues**



October 2021

IMPLEMENTATION PLAN IN RESPONSE TO THE BOARD-ENDORSED RECOMMENDATIONS FROM THE IEO EVALUATION REPORT ON IMF COLLABORATION WITH THE WORLD BANK ON MACRO-STRUCTURAL ISSUES

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EXECUTIVE SUMMARY

In all macro-structural areas, the Fund and the Bank have complementary roles—the Bank provides structural and development-focused assessments and recommendations, while the Fund focuses on integrating macro relevant structural issues in the macroeconomic frameworks and policies. In some areas (e.g., inequality, financial sector, and fiscal issues, including spending policies) Bank-Fund collaboration modalities are well established. In other areas (e.g., climate change, gender, and Fragile and Conflict-Affected States (FCS)) Fund staff is in the process of developing comprehensive strategies on how the IMF can step up its engagement and collaboration with external partners to better serve its membership.

This Management Implementation Plan (MIP) focuses on further strengthening Bank-Fund collaboration on macro-structural issues. Building on best practices in collaboration, the MIP proposes a number of actions to address the Board-endorsed Independent Evaluation Office (IEO) recommendations in the context of its assessment of the IMF's Collaboration with the World Bank on Macro-Structural Issues. Specifically, this MIP proposes concrete steps in several areas:

- *Developing concrete frameworks to ensure effective Bank-Fund collaboration on strategic macro-structural issues:* Focusing on climate change as a critical macro-structural area for Bank-Fund collaboration, this MIP proposes specific actions aimed at: (i) improving strategic coordination between the Bank and the Fund climate teams, including by stepping up coordination on strategic priorities and policy messages through the Fund's Climate Advisory Group and joint work in international fora; (ii) ensuring information and knowledge sharing on ongoing work across the two institutions; and (iii) deepening collaboration in areas of ongoing joint work (e.g., climate risks in FSAPs, carbon pricing).
- *Improving internal incentives for collaboration:* To better leverage the new HR performance management system, this MIP proposes that the HRD will revise the *Guidance Note* to include specific guidance on how this system could be used by Departments to encourage collaboration with external partners, including the Bank.

- *Improving access to and exchange of information and knowledge:* Recognizing that effective collaboration requires mechanisms for knowledge and information sharing, this MIP proposes preparing a *Joint Bank-Fund Staff Guidance Note* summarizing best practices in information and document sharing processes; maintaining rosters of managerial, technical and operational focal points in both institutions in select macro-structural areas; and developing specific IT solutions for better access and information exchange between the institutions.

To assess progress on strengthening collaboration, staff will prepare an IMF Board Paper on the Effectiveness of Bank-Fund collaboration by FY2025, as well as a background paper in the context of the interim Comprehensive Surveillance Review (CSR) by FY2024. The interim CSR background paper will take stock of how the Fund has integrated select macro-structural areas (notably climate) into its surveillance, including how it has collaborated with other institutions (such as the World Bank). The Board paper will: (i) review Bank-Fund collaboration in select macro-structural areas, the effectiveness of proposed guidance and progress on implementation of other actions outlined in this MIP; and (ii) assess the need for tailored institutional frameworks for collaboration. While the actions proposed in this MIP are for the Fund staff to carry out, their successful implementation ultimately depends on the efforts of staff of both institutions. The actions proposed in this MIP were discussed with Bank staff and supported by Bank management.

The commitments outlined in this MIP will require additional resources. While the proposed actions in the climate workstream will be covered within the resource envelope outlined in the IMF's climate strategy, additional resources are required for producing the proposed guidance notes and the Board Paper on Bank-Fund collaboration. The resource implications of the actions proposed in this MIP, including for country teams, will be addressed in the context of the regular budget discussions.

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