



February 10, 2022

A PROPOSED STRATEGY FOR MAINSTREAMING GENDER AT THE IMF

CONSULTATION CONCEPT NOTE

The IMF is preparing its first strategy to mainstream gender. Mainstreaming gender at the IMF begins with recognizing that many gender disparities are macro-critical and that economic and financial policies can exacerbate or narrow them. In addition to their own intrinsic benefits, improving women's access to opportunities and decision-making roles goes hand-in-hand with higher economic growth, greater economic and financial stability and resilience, and lower inequality. Attention to gender has never been more urgent. The COVID-19 pandemic has exacerbated pre-existing gaps, disproportionately affecting women.

The proposed strategy aims to integrate gender into the Fund's surveillance, lending, and capacity development. It is focused on the Fund's areas of expertise, namely, macroeconomic and financial policy and analysis. It does not consider all aspects of gender issues. A good foundation of past work, including country pilots, capacity development initiatives, and analytical research have paved the way ([IMF Gender Website](#)). The proposed gender strategy also seeks to complement the efforts of other organizations that have had a head start in this field. This proposal will be submitted for consideration and approval to the IMF's Executive Board in Spring 2022.

The IMF values engagement with partners and stakeholders to shape its analysis and policies. In that regard, we have had constructive engagements on our gender work over the last several years through calls, CSO policy forum sessions, or dedicated events. Inputs from these engagements were considered in the first gender strategy proposal to the Board on February 9. We are now opening an online public consultation with this concept note. The note explains the rationale for mainstreaming gender at the IMF, focusing on the macro-criticality of gender gaps, in accordance with the Fund's mandate. It distills the key elements of the proposed strategy. Partnering with external stakeholders would be vital to enhance efficacy and leverage impact.

Consultations with external partners will take place during February 10 – March 2, 2022. The IMF will seek views on the following key questions:

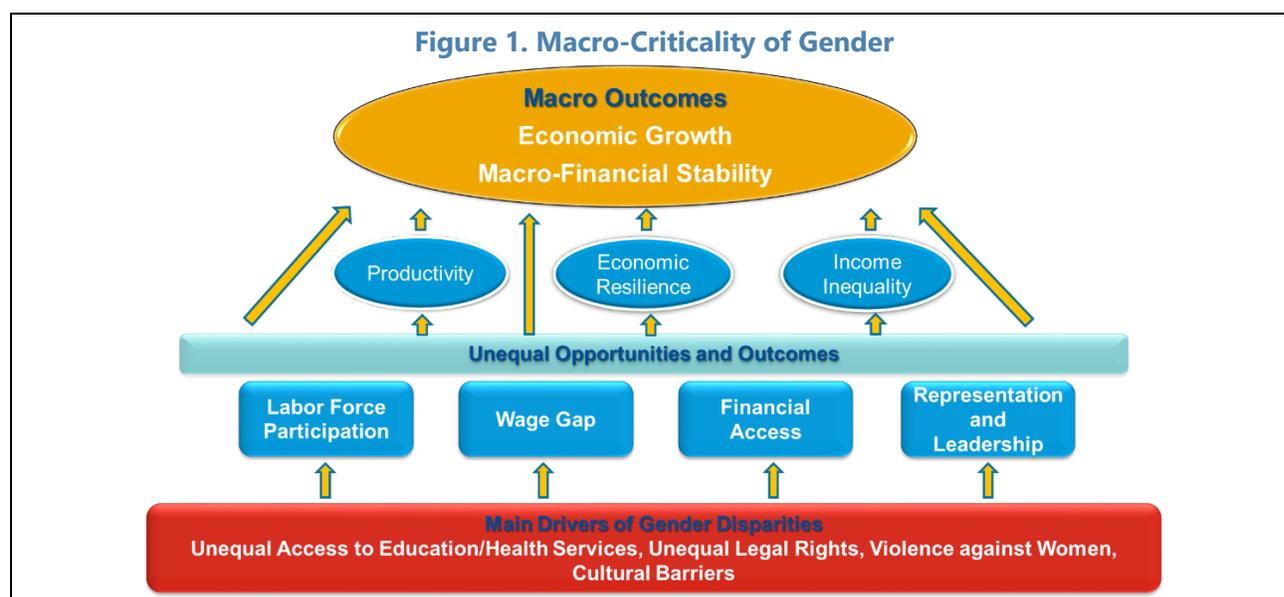
Box 1: Questions for External Partners and Stakeholders

- Do you agree with the proposed vision for mainstreaming gender at the IMF?
- Given the mandates, core competencies, and comparative advantages of other organizations working on gender issues, what are your views on where the IMF can make the most impactful contribution?
- What factors are important for the IMF to consider when identifying countries for targeted advice and capacity development support?

POSITIONING THE FUND

1. The Fund's Articles of Agreement provide the basis for integrating gender work in the Fund's core activities. The proposed strategy aims to mainstream gender into the Fund's surveillance, lending, and capacity development. It is focused on the Fund's areas of expertise, namely, macroeconomic and financial policy and analysis. It does not consider all aspects of gender issues. Since narrowing gender gaps foster and promote women's economic empowerment, which is relevant for members' macroeconomic outcomes, they become macro-critical. Therefore, the Fund can support members in this area in carrying out its core functions in accordance with its mandate. Indeed, research by IMF staff and others shows that narrowing gender inequality can raise economic growth and enhance macro-financial stability. This means that many gender disparities are macro-critical, and macroeconomic and financial policies can exacerbate or narrow them.

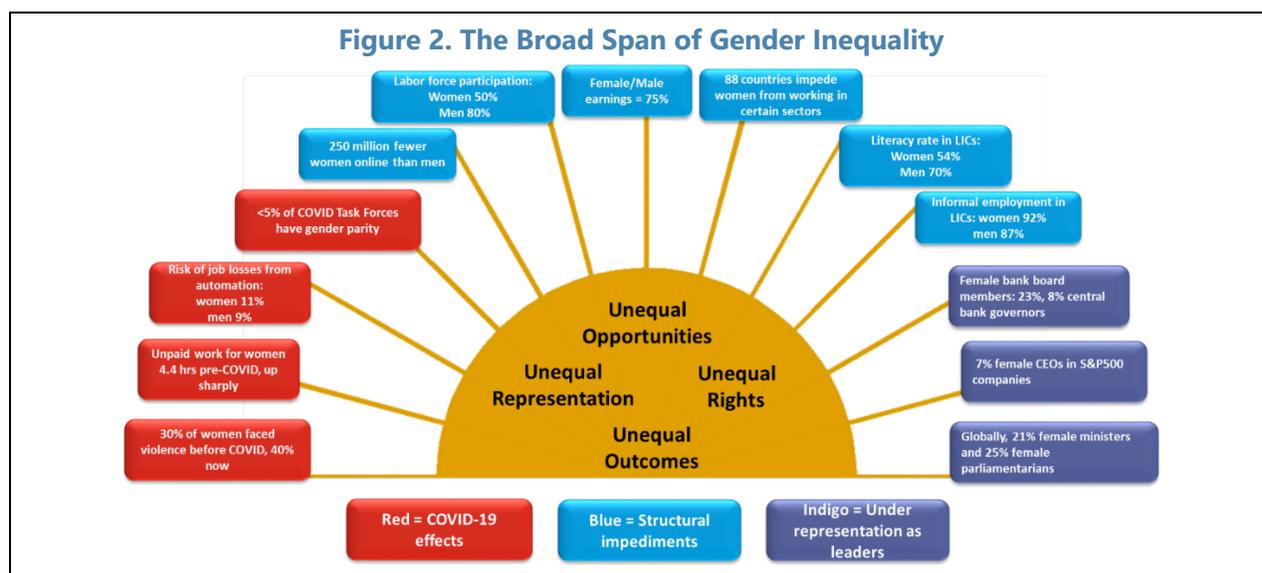
2. There are various interlinkages and channels through which gender disparities affect macroeconomic outcomes. Figure 1 shows one possible way of presenting those links. Several factors drive gender disparities, including unequal access to education and health services, unequal legal rights, violence against women, and cultural barriers. These barriers lead to unequal opportunities and outcomes for women, such as limited access to financial services, low labor force participation rates, low wages, and low representation in leadership positions.



3. The uneven playing field between women and men disempowers half the world's population, lowers productivity, and exacts large costs on the global economy. Reducing gender disparities can promote labor force participation, raise productivity, reduce income

inequality, increase economic diversification, and improve political stability. This in turn, contributes to economic growth and macroeconomic resilience. Female leadership and diversity on boards of financial institutions and banking supervision agencies are associated with lower non-performing loans and greater financial stability. Female political leadership is also associated with greater infrastructure spending and educational attainment of girls.

4. There is, perhaps, no more urgent time than now for the IMF to consistently address gender disparities that are macro-critical. Even before the pandemic, structural barriers were a source of inequality across several dimensions (Figure 2), and national policymaking, by and large, has not been gender sensitive, nor have women been adequately represented in decision-making. The COVID-19 crisis has exacerbated pre-existing gender gaps, including unpaid work burdens, job losses in service industries which are dominated by women, and gender-based violence.



5. The IMF’s role is singular relative to other international or development institutions. The Fund is best placed to analyze gender-related issues from a macroeconomic perspective. Its primacy in advising member countries on macroeconomic and financial policies affords the opportunity to provide the appropriate advice, based on sound analysis, where an issue is deemed macro-critical. By focusing on its core expertise, the IMF would fill a gap in the global economic debate. The Fund can shed light on: (i) how macroeconomic and financial shocks and policies affect men and women differently; and (ii) how policies can be designed to narrow macro-critical gender gaps, and thereby support growth and stability.

6. The IMF is a late comer to the field of gender, and there is scope for Fund staff to collaborate further with other institutions. The proposed strategy builds on existing work done at the Fund and complements the work of other organizations. Extensive expertise and experience, particularly at the sectoral level, reside in other international and development institutions. There are lessons to be learnt from their experience and partnerships to be developed, including at the local level. IMF engagement on gender from a macroeconomic and financial perspective would complement the substantial body of work being done by others.

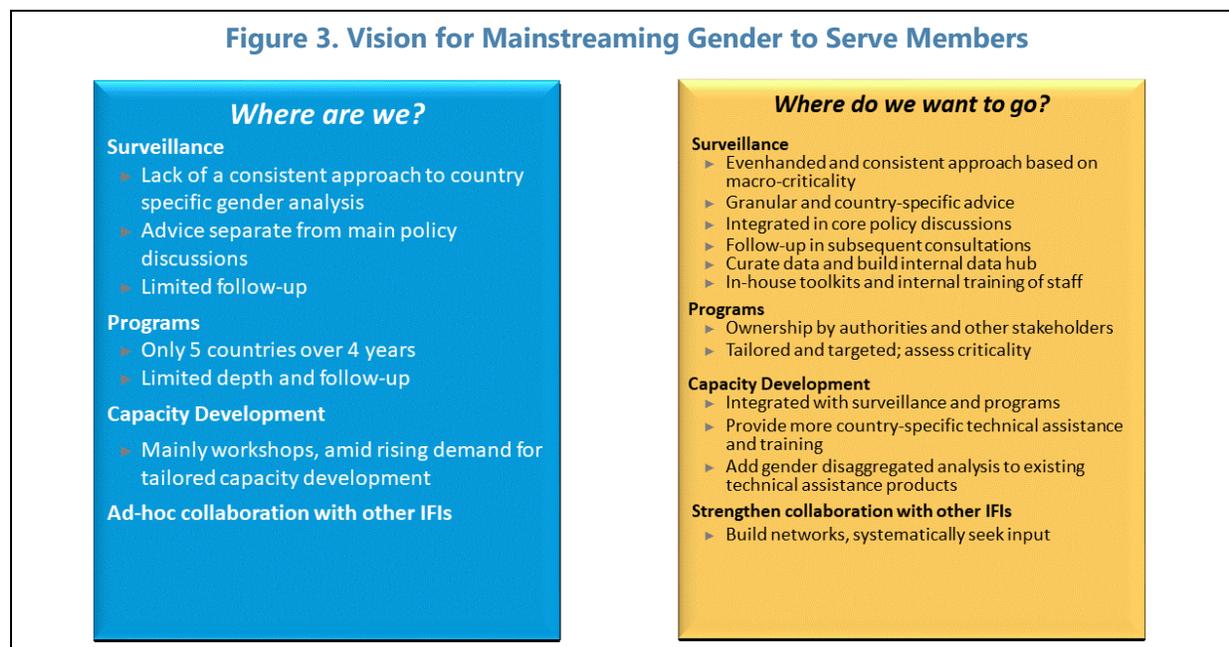
7. Gender-related topics have been covered in the Fund's work since a pilot approach was adopted in 2015. During 2015-19, the approach was to operationalize gender in country work (surveillance and lending), which resulted in gender-focused analyses appearing in staff reports for 43 countries, a presentation to the Board in 2017, and a 2018 how-to note for staff. Around the same time, the Fund's Financial Access Survey (FAS) began to collect gender-disaggregated data. Capacity development on gender budgeting began recently through workshops, technical assistance and outreach.

THE VISION

8. The proposed vision, which is to help members to address macro-critical gender gaps is ambitious but will be gradually implemented. It will rely on three main principles: adhere to the IMF mandate by focusing on closing gender gaps that are associated with negative macroeconomic outcomes; provide thought leadership globally and granular and tailored macroeconomic and financial policy advice to member countries; and focus on maximizing impact on the ground by helping build member countries' capacity, including through partnering with other institutions and engaging externally. At the very least, IMF policy advice should not exacerbate gender disparities.

9. The vision pertains to all of the Fund's core activities. In surveillance, the goal is to ensure consistent treatment of member countries based on the degree of macro-criticality of gender disparities to provide granular advice that is integrated in core policy discussions (Figure 3). Another tool at the IMF's disposal for assisting members to address gender inequality is conditionality in Fund-supported programs. If narrowing gender gaps is considered by the IMF as critical for achieving the goals of the relevant Fund-supported program, then these issues can be addressed through program design and conditionality. Capacity development in areas of Fund expertise, can also support members in addressing gender gaps and their implementation of IMF's policy advice in surveillance and program design and conditionality in Fund-supported programs.

Collaboration with other international financial and development partners would help inform IMF staff's macroeconomic and financial policy work as well as capacity development.

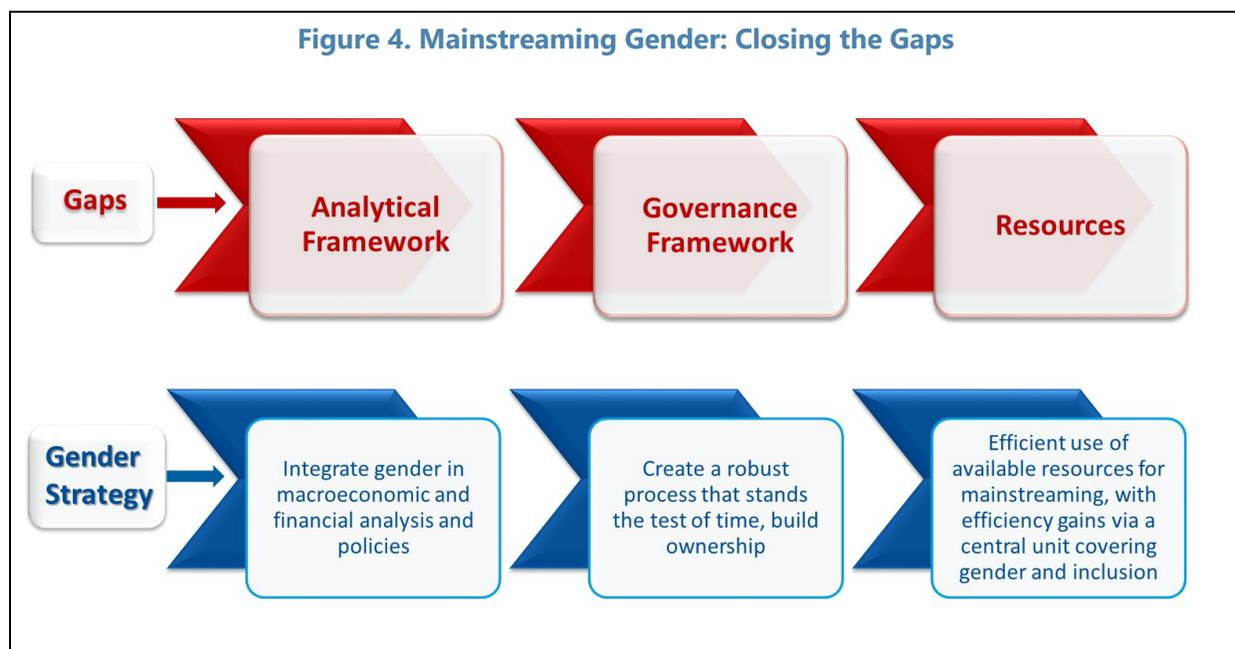


10. This is a long-term vision and needs to be balanced with resource constraints. Progress will be gradual and measured, given the resource availability and the need to develop an adequate knowledge base and expertise among staff to engage meaningfully with members.

KEY ELEMENTS OF THE PROPOSED STRATEGY

11. Three gaps were identified in mainstreaming gender at the Fund. These are gaps in analytical frameworks, the Fund's internal governance/organizational structure, and resources (Figure 4). To close analytical and data gaps, the strategy proposes creating an internal data hub and deepening analytical and policy tools to weave gender issues into the IMF's core work. Over time, the policy toolkits and data hub would be shared with member countries. Governance gaps require prioritization, support to country teams, and accountability. A robust governance framework and internal organizational set-up will be proposed. Given limited resources, there is a need to leverage economies of scale, avoid duplication of efforts and facilitate efficient knowledge sharing and learning across departments.

12. Building on work from the past few years, including by external partners, the IMF will expand its analytical arsenal. The modeling framework will incorporate micro- and macroeconomic features, heterogenous agents, and different sectors of the economy. Model-based toolkits will help analyze the impact of shocks and existing macroeconomic policies on gender and economy-wide outcomes such as labor force participation, wage disparities, government finances, economic growth, income inequality, and poverty. The models are also expected to support the design of reforms and gender-responsive macroeconomic policies to reduce gender gaps. There is likely no single model applicable to all countries, and several models will need to be developed to better capture heterogeneity among members. A user-friendly toolkit will also be developed to empower country teams to conduct gender-sensitive analysis and ensure a consistent approach in the IMF’s policy advice to members.



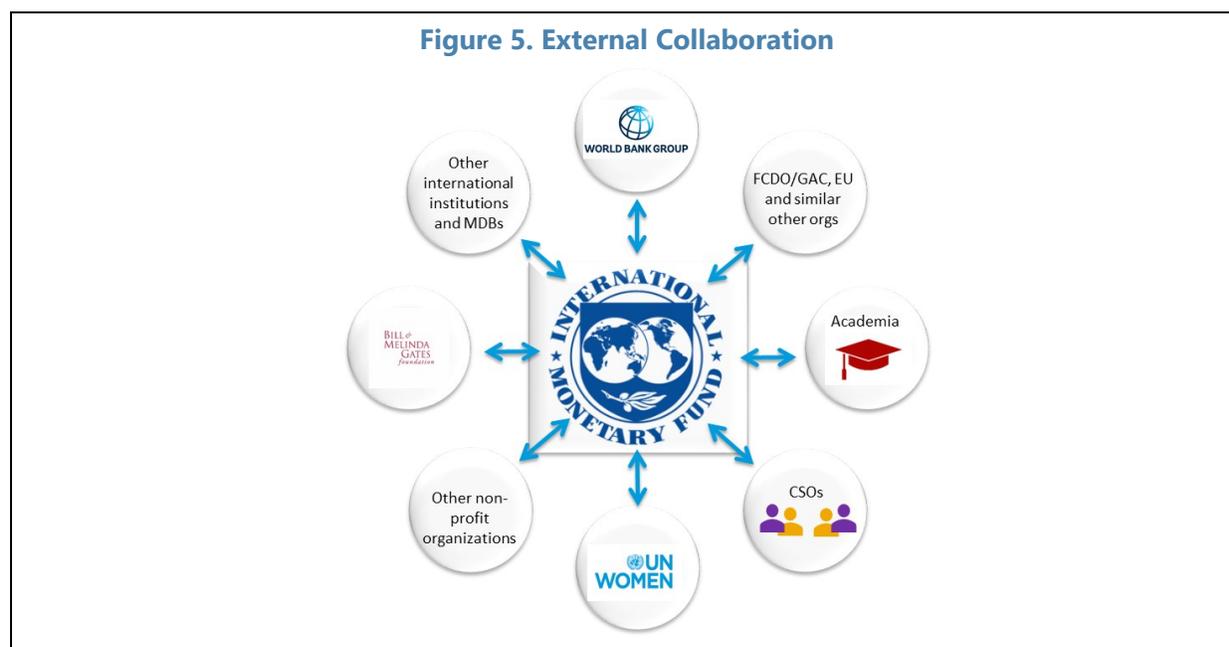
13. An internal data hub would curate macro-relevant gender-related indicators across countries. The hub would support the further development of analytical and policy tools. This will allow IMF staff to conduct comprehensive assessments and provide tailored and granular advice to countries.

14. IMF staff will also explore the links and synergies among the four emerging workstreams—climate change, digital money, fragile and conflict-affected states, and gender and inclusion. Mitigation and adaptation policies could be considered in the context of gender-responsive policies, helping to ensure that gender gaps are not exacerbated. Policies to ensure that

fintech narrows gender gaps are potential areas of future work. Targeting female labor force participation in fragile and conflict-affected states can rebuild countries' resilience after crisis or conflict. Gender inequality is not just a driver of fragility; there is a two-way relationship as fragility can exacerbate pre-existing gender inequalities. The scope for exploiting these synergies is expected to increase with time, as data gaps are closed, new cross-cutting skills are acquired, and resource constraints are alleviated.

15. Effective governance requires clearly assigning responsibilities and accountability and establishing a supportive internal organizational structure. The proposed strategy will emphasize that the Fund's approach to gender disparity issues be governed by macro-criticality and evenhandedness. Internal procedures would be set up to reflect the priority and accountability related to gender mainstreaming. Given the cross-cutting nature of gender issues, the strategy will also lay out how various technical-level working groups can facilitate enhancing the toolkits and peer learning.

16. Expanding collaboration with other organizations will also help advance the implementation of the proposed strategy. Partnering with other stakeholders provides an opportunity to collectively advocate for policies and reforms to reduce gender gaps, while adhering to institutional mandates (Figure 5). Knowledge sharing and amplified messaging are other potential benefits from enhanced cooperation.



17. While dedicated resources for gender analysis at the Fund are limited, they will be leveraged. Centralizing resources in a dedicated unit would achieve scale economies in developing the analytical firepower and governance framework while supporting country teams. Country coverage would initially be narrow and selective, with some deeper studies supported by the unit to serve as mainstreaming prototypes. Multilateral surveillance could complement bilateral surveillance. Over time, country coverage would increase as tools and models are developed and country economists have greater access to gender toolkits.

18. Closing these three gaps will take time, deliberation, and an acknowledgement of successes and failures. It will take time to build, experiment with, and refine models and tools. Fund staff will also need training to get up to speed, including on identifying the gender disparities, determining what is macro-critical, and ensuring consistency. The benefits and overall success of different forms of engagement will likely depend on the country but the work, to varying degrees, can begin now.

NEXT STEPS

19. The proposed strategy will lay out clear milestones and will be implemented in several phases. Phasing of the planned strategy will start by closing data and analytical gaps to provide a country-specific assessment of gender gaps and their macro-criticality. During Phase 1, work will start on strengthening the internal governance framework, building the centralized data-hub, and starting the development of analytical tools. Phase 2 will see increased support to country teams by the centralized unit, allowing for more in-depth analysis and policy advice, and an increase in capacity development to member countries. Finally, Phase 3 anticipates increasing country coverage and mainstreaming of gender across the Fund's core activities. We will continue consulting with external partners during the multi-year implementation of the proposed strategy, which will be gradual.

20. Feedback from the informal IMF Board meeting on February 9, 2022 and external stakeholders will be incorporated into the proposed strategy. Staff will present the gender strategy proposal at a formal Board meeting in Spring 2022. Once the proposed strategy has been endorsed by the Board, staff will begin to undertake the tasks laid out in the approved strategy.