



ETHICS OFFICE

Navigating Ethics to Keep on Course

ANNUAL REPORT 2023

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**THE FUND'S
CORE VALUES**

ACRONYMS AND ABBREVIATIONS

| | | | |
|----------------|--------------------------------------------------|----------------|--------------------------------------------|
| COM | Communications Department | ICD | Institute for Capacity Development |
| CSF | Corporate Services and Facilities Department | IFC | International Finance Corporation |
| CY | Calendar Year | IFI | International Finance Institutions |
| D&I | Diversity and Inclusion | ISR | Institutional Safeguards Review |
| DAPP | Domestic Abuse Prevention Program | ITD | Information Technology Department |
| DMD | Deputy Managing Director | LEG | Legal Department |
| DRS | Dispute Resolution System | MCD | Middle East and Central Asia Department |
| EBEF | European Business Ethics Forum | MD | Managing Director |
| EBRD | European Bank for Reconstruction and Development | MDB | Multilateral Development Banks |
| ECB | European Central Bank | MDT | Mediation Office |
| ECI | Ethics and Compliance Initiative | MET | Mandatory Ethics Training |
| EA | External Activity | OII | Office of Internal Investigations |
| ENMO | Ethics Network of Multilateral Organizations | OMB | Ombuds Office |
| ETO | Ethics Office | PRWs | Peers for a Respectful Workplace |
| FIN | Finance Department | Q&A | Question and Answer |
| HRD | Human Resources Department | RCDC | Regional Capacity Development Center |
| HSD | Health and Safety Directorate | RFP | Request for Proposal |
| | | SAC | Staff Association Committee |
| | | UNOPS | United Nations Office for Project Services |

MISSION STATEMENT FOR THE ETHICS OFFICE AND TERMS OF REFERENCE FOR THE ETHICS ADVISOR

The Ethics Office provides independent ethics advice to the Fund and its staff and promotes ethical awareness through outreach and training: according to the Ethics Advisor's 2016 terms of reference, the Ethics Advisor contributes to the good governance of the Fund and assists the organization in maintaining high ethical standards of conduct and the reputation of the Fund and its employees for probity, integrity, and impartiality. The Ethics Advisor promotes awareness of ethics issues among, and provides training and education on ethics for, Fund employees and vendor personnel. The Ethics Advisor's responsibilities include (a) the provision of advice to

management and HRD regarding the promotion of ethical standards within the Fund; (b) the provision of information, education, and training for Fund employees; and (c) the provision of advice and guidance to managers, staff members, contractual employees, and vendor personnel on questions pertaining to the rules on conduct. Since 2016, the Ethics Advisor's mandate has been expanded on several occasions, notably to include the role as the Financial Conflict of Interest Designated Officer for the Investment Oversight Committee and to entrust the Ethics Office with the annual Ethical Conduct Certification process.

MESSAGE FROM THE ETHICS ADVISOR URSULA WELLEN

2023 was a year of challenges and opportunities for the Fund - including for the Ethics Office. It was the year where almost all colleagues returned to work in-person at the office, restarted official travel, with a significant number of colleagues still quite new at the Fund, so that all of us were in a process of adjusting to and navigating post-COVID-19 workplace realities - and navigating the ethics questions that come with these new workplace realities.

This being my second year at the Fund, I no longer felt brand new in the institution, while still able to relate to the situation of other new colleagues joining the Fund during or following the pandemic. With the support of the Ethics Office team, this allowed me to build stronger connections with colleagues in the Fund, better understand their needs and potential ethics-related concerns, and therefore anticipate their needs for advice, guidance, and training, and contribute more effectively to policy development initiatives.



URSULA WELLEN
IMF Ethics Advisor and
Head of the Ethics Office

Our emphasis on taking a proactive and anticipatory approach when it comes to navigating ethics, is intended to allow colleagues to focus on their important work, without being concerned about getting off course due to unanticipated or unaddressed ethics issues.

All in all, it was a very full year for the Ethics Office. We rolled out the revised in-person Mandatory Ethics Training for colleagues at Headquarters and in Field Offices, we launched two new e-learning courses, and we participated in a wide range of outreach initiatives, to new audiences, on new topics, and through new communications channels. We continued to put a particular emphasis on outreach to colleagues outside Headquarters, in line with the Ethics Advisor's commitment in the Annual Report for 2022, to reaching everyone, everywhere.

At the same time, the Fund's implementation plan for the Institutional Safeguards Review resulted in significant changes to the work of and conditions of employment within the Ethics Office. From the Ethics Advisor's perspective, these changes clearly strengthened the Ethics Office and allowed us to increase our outreach and visibility for colleagues

Fund-wide. While the Ethics Office team had to dedicate extra time, attention, and energy to support this change management process, this was ultimately an investment in the future – which is what the Fund’s work is all about.

Looking back at 2023, I feel a profound sense of gratitude – to Management and the Executive Board, who recognized the Institutional Safeguard Review and its implementation as an important opportunity to further strengthen the Ethics Office, to partners and stakeholders in the DRS offices, in the Office of Internal Investigations, the Human Resources and the Legal Department, and in the Staff Association Committee, who all played their role in the implementation of the ISR, to colleagues at all levels in the Fund, who supported our outreach work and sought our advice when needed, and – last but not

least -- to our Ethics Office team for the dedication and commitment to our shared vision of ethics at the Fund.

For 2024, I look forward to continuing this proactive and anticipatory approach to the Ethics Office’s mandate, supporting everyone everywhere in navigating ethics to stay on course.

With best wishes,

A handwritten signature in black ink, appearing to read 'Ursula Wellen', is displayed on a light gray rectangular background.

Ursula Wellen

IMF Ethics Advisor and
Head of the Ethics Office



SECTION 1

PROVISION OF ADVICE AND GUIDANCE

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OVERVIEW OF ADVICE CATEGORIES AND 2023 CASELOAD BY ADVICE CATEGORY

These Advice categories correspond to Key Ethics Issues identified by the Ethics Office. Information about these issues, as well as on other ethics issues, can be found on the Ethics Office website under “Key Ethics Issues.” The information provided on the Ethics Office website includes links to relevant provisions of the Fund’s N-Rules, Code of Conduct, GAOs, and Staff Handbook, as well as helpful intranet articles and other resources.

KEY ETHICS ISSUES



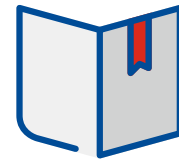
Obligations as an International Civil Servant



External Activities



Discrimination



Publications, Public Statements, and Copyright



Gifts and Awards



Financial Conflicts of Interest



Harassment; Retaliation



Misuse of Resources and Non-Public Info



Personal Conflicts of Interest



Political Activities



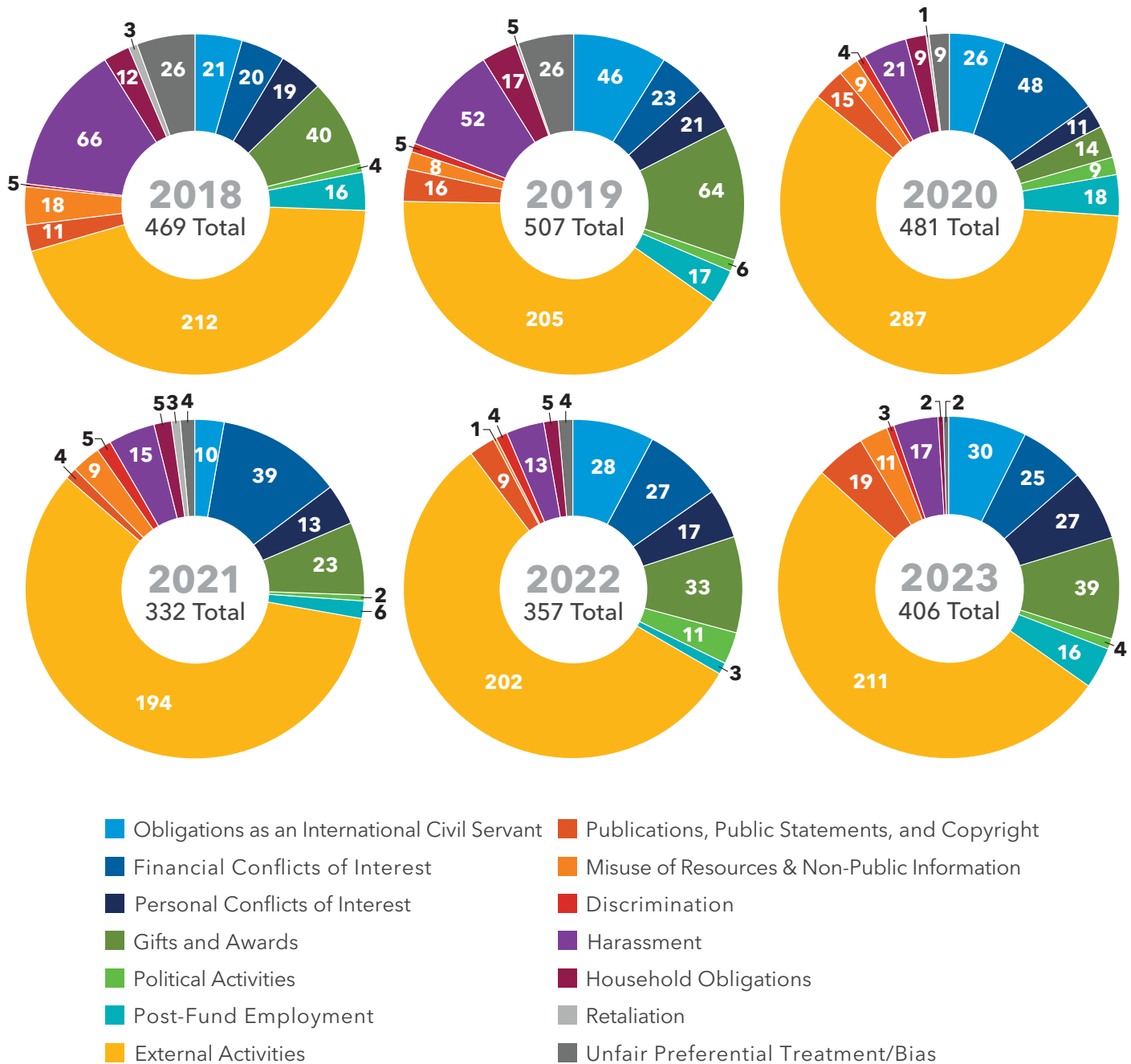
Post-Fund Employment



Household Obligations

| ADVICE BY CATEGORY | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2023 Percentages |
|------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------|
| Obligations as an International Civil Servant | 21 | 46 | 26 | 10 | 28 | 30 | 7.4 |
| Financial Conflicts of Interest | 20 | 23 | 48 | 39 | 27 | 25 | 6.2 |
| Personal Conflicts of Interest | 19 | 21 | 11 | 13 | 17 | 27 | 6.7 |
| Gifts and Awards | 40 | 64 | 14 | 23 | 33 | 39 | 9.6 |
| Political Activities | 4 | 6 | 9 | 2 | 11 | 4 | 1.0 |
| Post-Fund Employment | 16 | 17 | 18 | 6 | 3 | 16 | 3.9 |
| External Activities | 212 | 205 | 287 | 194 | 202 | 211 | 52.0 |
| Publications, Public Statements, and Copyright | 11 | 16 | 15 | 4 | 9 | 19 | 4.7 |
| Misuse of Resources & Non-Public Information | 18 | 8 | 9 | 9 | 1 | 11 | 2.7 |
| Discrimination | 1 | 5 | 4 | 5 | 4 | 3 | 0.7 |
| Harassment | 66 | 52 | 21 | 15 | 13 | 17 | 4.2 |
| Household Obligations | 12 | 17 | 9 | 5 | 5 | 2 | 0.5 |
| Retaliation | 3 | 1 | 1 | 3 | 0 | 0 | 0 |
| Unfair Preferential Treatment/ Bias | 26 | 26 | 9 | 4 | 4 | 2 | 0.5 |
| TOTAL | 469 | 507 | 481 | 332 | 357 | 406 | 100 |

ADVISORY MATTERS BY TOPIC GROUPS 2018–2023



2023 ADVICE MATTERS: HIGH LEVEL SUMMARY, TRENDS, AND STATISTICS

In 2023, the Ethics Office responded to a total number of 406 requests for advice and guidance. Compared to the previous reporting year, CY22, the total number of requests for advice and guidance slightly increased (by almost 13%) but did not yet fully return to pre-pandemic levels.



406

Requests for Advice
and Guidance

It is notable though that most “core” ethics topics related to the Fund’s Core Values of Honesty, Impartiality, and Integrity – namely requests for advice and guidance on obligations as an international civil servant, personal conflicts of interest, gifts, political activities, post-Fund employment, external activities, publications, and misuse of Fund resources – have returned broadly to pre-pandemic level.

The numbers of requests for advice and guidance related to interpersonal behavior – including concerns about behavior that may potentially constitute harassment or unfair preferential treatment / bias -- continue to be significantly lower

than pre-pandemic, in line with a trend already observed in 2022.

While it would be speculative to identify possible reasons for this drop – especially since concerns continue to exist amongst Fund employees, as evidenced by the 2022 Staff Engagement Survey – it is noted that the Ethics Office’s mandate in relation to interpersonal behavior matters is somewhat limited: the Ethics Advisor currently has – under her Terms of Reference – a mandate to provide advice and guidance to the individuals reaching out with concerns about interpersonal behavior and to provide training and – under the Harassment Policy -- to receive consolidated departmental reports on an anonymized basis.

However, the Ethics Advisor does not have a mandate to proactively intervene with the person who allegedly engaged in interpersonal behavior that was inappropriate or even led to misconduct concerns. Such responsibility is currently vested with (and shared between) the person’s line management, the Ombudsperson, and the Office of Internal Investigations, depending on the nature and gravity of the concerns.

SECTION 2

TRAINING AND OUTREACH

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OVERVIEW OF ETHICS TRAINING: DELIVERY MODELS AND WORK STREAMS

Since 2021/22, the Ethics Office has put an even stronger emphasis on ethics training and outreach, to reflect behavioral science insights on adult learning and awareness raising. Pursuant to these insights, strategies that reconcile a range of different learning methods, with a strong emphasis on peer learning, tend to be most successful in achieving behavior change. The Ethics Office therefore has developed a range of different training delivery models and training work streams, to complement a comprehensive Ethics e-learning curriculum with in-person training that is designed to be interactive and focused on case-study-based peer discussions. The Ethics Office has also tested and participated in testing non-traditional innovative delivery models, including live survey tools (such as “Mentimeter”), role play and an online Ask Me Anything session.

Roll-out of revised Mandatory Ethics Training workshop style In 2023, the Ethics Office moved forward with the roll-out of the revised Mandatory Ethics Training (MET) workshop-style, following the successful pilot of this interactive, case-study-based format in 2022. Based on prep-conversations with key stakeholders, including senior and middle managers, representatives of the A1 to A8 staff and PRWs, the Ethics Office tailors the case studies in

each instance to the training needs of the respective department, which may differ depending on a range of factors such as the department's mandate, geographical region covered, and organizational micro-culture. The Ethics Office offered the in-person Mandatory Ethics Training for the Fund Management Team as well as for a total of 1580 staff members and long-term contractual employees in seven departments, namely all area departments, HRD, and ICD. For departmental Fund employees outside headquarters, namely in country offices, Technical Assistance Centers and Regional Training Centers, the Ethics Office arranged separate remote sessions via Teams.

Over the course of the year, the Ethics Office offered a total of 45 Mandatory Ethics Training sessions, with several sessions per department on alternative dates, to allow for maximum participation. The average attendance rate per department was spread between 85% and 99%, with MCD achieving the highest attendance rate. Going forward, the Ethics Office will work with departments to ensure that they reach as close as possible to a full attendance rate for the Mandatory Ethics Training. The Ethics Office is using feedback surveys to further improve and fine tune both the format and the substance of the Mandatory Ethics Training.

Launch of two new e-learning ethics courses

Between 2021 and 2023, the Ethics Office has developed a comprehensive ethics e-learning curriculum to cover the most common ethics issues and dilemma employees may face during their Fund employment, from the day they join to when they leave. The intention behind this comprehensive e-learning curriculum was to make sure that Fund employees are made fully aware of the ethics-related Do's and Don'ts within a short while after they join the Fund, even outside the regular in-person Mandatory Ethics Training cycle. Adding to the existing "*Positive Workplace*" course (which was re-launched after a refresh in 2021 and addresses harassment, sexual harassment, discrimination, and retaliation, and the role all employees, especially managers, have in promoting a positive workplace free from such negative behavior), the Office therefore launched two new mandatory e-learning courses in 2023:

The first of the two new courses launched in 2023 was "*Navigating Ethics for International Civil Servants*." This course highlights the special status Fund employees have as international civil servants, with a focus on the Core Fund Values of Integrity and Impartiality, as well as the duty of loyalty owed to the Fund. *Navigating Ethics for International Civil Servants* was launched at the end of July 2023 and achieved a Fund-wide completion rate of 96.1%.

The second of the two new courses launched was “*Navigating Ethics: Conflicts of Interest*.” This course covers ethics issues not only related to identifying, resolving, and mitigating conflicts of interests, but also ethics issues related to gifts and hospitality. *Navigating Ethics: Conflicts of Interest* was launched in October 2023 and achieved a Fund-wide completion rate of 95.2%.

This trilogy of case-study-based e-learning is mandatory for all Fund staff and contractual employees holding contracts of one year or longer at headquarters and in overseas offices. In 2024 the Ethics Office will work on a refresh of “*Positive Workplace*,” anticipated to launch Fund-wide Q2 2024.

Ethics Induction for new joiners Throughout 2023, the Ethics Office continued to deliver ethics induction sessions for new Fund employees, as part of HRD’s bi-weekly Onboarding briefing. The ethics induction is offered in a hybrid format for all new joiners at headquarters. In 2023, the Ethics Office delivered 23 Ethics induction sessions, under the topic of “Ethics and Values”, addressed to a total of approximately 500 new Fund employees.

The ethics induction sessions introduce new joiners to the Ethics Office Team, the mandate of the Office, and the Fund’s Core Values. The sessions typically include a summary of the key ethics issues on which the Ethics Office is most often consulted, an overview of the rules on staff conduct, and a reminder of the ethics training requirements that new joiners must comply with, as well as an opportunity to raise questions they may have.

Continuation of Ethics training for new Resident Representatives

In 2023, the Ethics Office continued its tailored ethics briefings for new Resident Representatives prior to their going out on assignment. The pre-departure ethics briefings for Resident Representatives reflect and recognize the very important role that the Fund’s Resident Representatives have in representing the Fund globally: they are literally the face of the Fund overseas.

The Ethics Office conducted 15 of these briefings, combining a review of key ethics issues that may arise in the field with examples from previous requests for guidance and ample time for discussion. In addition, the ethics briefings focus on the role of the Resident Representative as head of office as well as Fund representative, addressing the additional responsibilities managers have at the Fund under the Standards of Conduct to address harassment in the workplace, serve as role models through their behavior, and report suspected misconduct. The Ethics Office also reached out to Resident Representatives by extending the Mandatory Ethics Training for area departments to country offices, Technical Assistance Centers and Regional Training Centers, in a remote format via Teams.

In 2024, the Ethics Office is looking to further extend its outreach to Resident Representatives and other field-based Fund employees through participation in area department workshops and retreats and through informal outreach, such as Ask Me Anything webinars that will be accessible to Fund employees regardless of their location.



Ethics training for Executive Board members

In February 2023, the General Counsel's office, acting as Executive Secretary to the Ethics Committee, organized an ethics training session for Executive Directors and OED Personnel. As part of the Board ethics training session, the Ethics Advisor gave a presentation on interpersonal behavior standards,

including the Fund's harassment policy. The ethics training for the Executive Board was a Fund-first and part of the implementation plan for the institutional safeguards review. It was held in a hybrid format, with all Executive Directors participating either in-person or remotely.



OVERVIEW OF THE ETHICS OFFICE'S 2023 OUTREACH EFFORTS

Virtual and in-person Ethics Office Open House and hybrid DRS Townhall On February 13 and 14, 2023, the Ethics Office hosted once again its annual Open House event, also known as "I ♥ Ethics," to mark the publication and launch of its Annual Report. While the 2023 Ethics Office Open House marked the 11th anniversary of the event, it was the first time that the Open House included both virtual and in-person elements (after it was held virtually only in 2022): in addition to the traditional in-person event at headquarters, the event was extended virtually via a series of three Teams meetings, across all time zones, and with French, Spanish, and Portuguese language options in addition to English. The Ethics Office anticipates hosting its next Open House event again both virtually and in-person in February 2024, with a more targeted prior outreach campaign, to increase participation during the virtual Open House sessions.

In November 2023, the Ethics Office gave a presentation on its work and mandate as part of the DRS Townhall that was organized by the SAC and has become part of the established Ethics Office outreach initiatives. The DRS Townhall was organized in a hybrid format and - besides the Ethics Advisor - featured representatives of the Ombuds and Mediation Offices, the PRWs, the independent witness program, a HRD representative in charge of the Administrative Review, the Registrar of the Administrative Tribunal, and a video-recorded message by the chair of the Grievance Committee.

Ethics Office intranet page update Throughout 2023, the Ethics Office continued to work on its Intranet page redesign, as part of the Fund's Intranet Project, which is aimed to deliver a more modern and user-friendly Intranet. In early 2023, the Ethics Office successfully migrated its Intranet site content

to the SharePoint 2016 platform. By the end of the reporting period, further updates were still ongoing, in collaboration with colleagues in ITD and CSF, to meet requirements for the 2024 Intranet migration to SharePoint Online.

Outreach to and engagement with PRWs During 2023, the Ethics Advisor reached out to and engaged with the PRWs through two main avenues, namely providing specific PRW training and getting their input for departmental training. The Ethics Advisor provided ethics training sessions for the PRWs, with a particular emphasis on responding to allegations and/or concerns of inappropriate behavior, bullying, and harassment. In addition, the Ethics Advisor routinely connected with PRWs, when preparing for departmental Mandatory Ethics Training, to obtain their perspective on relevant ethics issues and concerns.

2022 Staff Engagement Survey: follow-up actions

The Fund undertakes periodic surveys of staff and contractual employees to gather views and opinions on key drivers of engagement and to benchmark against past surveys and other organizations. Based on survey data and comments, the 2022 Staff Engagement Survey -- to which the Ethics Office contributed by advising on relevant ethics-related survey questions -- identified a need for more awareness of Ethics and D&I issues amongst Fund staff as one of five focus areas.

In response, the Fund developed in 2023 an action proposal to strengthen awareness of the DRS and the Ethics Offices and D&I resources, and to enhance monitoring of training in these areas. Specifically,

working together, the Ethics Office and HRD will provide Management with data on departmental uptake on ethics and D&I training for both individual contributors and managers as part of the Accountability Framework information.

The Ethics Office welcomes these initiatives and sees them as an important complement to the emphasis of the Institutional Safeguards Review implementation plan on strengthening and empowering the DRS, Ethics, and Investigations Offices overall.

Enhanced outreach to field-office-based Fund employees

As part of her commitment in the Ethics Office 2022 Annual Report to reach "everyone everywhere," the Ethics Advisor extended the Mandatory Ethics Training to Resident Representatives, local employees and long-term experts in country offices, Technical Assistance Centers and Regional Training Centers, in a remote format via Teams. The Ethics Advisor also held an ethics training and awareness session during the Headquarters-based retreat for office managers and assistants from AFR's country offices and the five AFRITAC offices and gave brief presentations during the Headquarters-based retreats for RCDC Directors, organized by ICD, and for field-based long-term experts, organized by FAD.

New Ethics Office visibility and outreach initiatives

To broaden its visibility and outreach for an even wider range of Fund employees at Headquarters and in the Field, the Ethics Office proactively looked for new communication initiatives and channels to raise awareness of the Fund's rules on staff conduct amongst "non-traditional"

audiences. As part of these efforts, the Ethics Advisor participated in a panel on “Ethics and AI” organized by ITD as part of ITD’s Tech Summit in early November 2023.

Another first in terms of outreach efforts was an early morning Ask Me Anything session that the Ethics Office and the Communications Department jointly hosted in mid-November 2023, on the topic of Responsibilities as International Civil Servants.

The purpose of the Ask Me Anything session was to create a space for discussion of the Ethics Office’s guidance on responsibilities as international civil servants in particular when considering political activities or public statements related to the developments in Israel and Gaza. The Ethics Office considers this Ask Me Anything session a successful pilot of a new and versatile outreach tool, the use of which it would like to expand in 2024.

PEER LEARNING FOR AND PEER REVIEW BY THE ETHICS OFFICE: EBEP, ENMO 2023 & UNOPS REVIEW

Ethics Office participation in EBEP 2023 As part of its external outreach and peer learning activities, the Ethics Office is a member of ECI, a U.S.-based non-profit organization focused on developing business ethics and compliance programs for a range of organizations, both for profit and not-for-profit. For the past 20 years, ECI has been a co-organizer of the European Business Ethics Forum (EBEP), a two-day meeting of business ethics and compliance officers from a range of European and U.S. based entities, including international organizations and IFIs such as EBRD and the ECB, which the Fund often uses as comparators for ethics-related benchmarking. Pre-pandemic, representatives from the Fund’s Ethics Office regularly attended EBEP for professional development and peer-learning purposes. 2023 marked the first time that EBEP was held again in person since the onset of the pandemic. Two members of the Ethics Office therefore attended the 2023 EBEP meeting in Amsterdam in person, and the Fund’s Ethics Advisor

presented in a breakout session on the topic of “*Quiet quitting: ethics implications and risks.*”

Ethics Office participation in ENMO 2023

In addition to ECI, the Ethics Office is also a member of the Ethics Network of the Multilateral Organizations (ENMO), which consists of ethics function representatives from over 30 international organizations and international financial institutions around the world. ENMO’s annual conference is therefore a very important peer learning and information sharing opportunity.

In 2023, ENMO’s annual conference was hosted by the Asian Development Bank in Manila, held in a hybrid format, and included sessions on a variety of topics, with a particular focus on innovation (such as ethics and AI, innovation in training tools, and innovation in impact measurement). The Fund’s Ethics Advisor co-organized, presented at and moderated a session on the topic of “*The Ethics Office in the Overall Institutional Governance Structure.*”

Ethics Office participation in peer review of the UNOPS Ethics Office Following a request by the then Acting Executive Director of UNOPS to the Fund's Managing Director in late 2022, the Fund's Ethics Advisor in her official capacity undertook in Q1 2023 - together with UNESCO's Ethics Advisor - an independent peer review of the independence of the UNOPS Ethics Office. This independent peer review

was documented in a final report which the Ethics Advisor - together with UNESCO's Ethics Advisor - presented to the UNOPS Executive Board at its annual meeting in June 2023. The final report and its findings have been published as a UNOPS Executive Board document and are therefore available in the public domain under [this link](#).

SECTION 3 POLICY DEVELOPMENT AND COMPLIANCE WORK STREAMS

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POLICY DEVELOPMENT WORK STREAMS

Ethics Office contributions to ISR implementation, in particular culture change initiatives

The Fund’s Executive Board approved in December 2022 an Implementation Plan for the Institutional Safeguards Review. Based on an invitation by Management, the Ethics Office participated throughout 2023 in monthly update meetings to monitor progress with respect to implementation of the ISR recommendations.

The Ethics Office actively contributed to key workstreams of the ISR Implementation Plan. These included the first-ever publication of summary statements of the financial interests and activities for the MD and DMDs. These also included a set of comprehensive actions to further build trust in and strengthen the DRS, Ethics, and Investigation Offices, which will continue in 2024.

With respect to the Board, workstreams included the review of the Board’s Code of Conduct and the ethical framework applicable to the Managing Director, Ethics training for the Executive Board, and for the first time the establishment of a structured process of engagement between the DRS, Ethics, and Investigation Offices, Management, and the Executive Board, which included in 2023: (i) a joint meeting between Management and the DRS, Ethics and Investigation Offices; and (ii) a Management-



chaired informal Board briefing to discuss the activities and respective Annual Reports of these Offices.

In addition, the Ethics Office participated in an Organizational Culture Change Task Team, that was led by the D&I Office and included staff from HRD, OIC, and the SAC.

Ethics Office Input for July 2023 Staff Handbook updates In 2023, the Ethics Office provided input on several policy revisions to the Fund's Staff Handbook, which serves as a compilation of rules applicable to Fund staff and in certain

instances, contractual employees holding a contract of one year or longer. These policy revisions were related to the Staff Standards of Conduct, including with respect to close personal relationships and the Framework on Financial Disclosure and Financial Conflict of Interest.

Ad hoc consultations on other Policy Development Initiatives Besides policy development initiatives related to the ISR Implementation Plan and the 2023 Staff Handbook updates, the Ethics Office was consulted – often on an ad hoc basis – on ten other policy development initiatives: those consultation requests came from

a range of internal policy holders (in particular ICD, HRD, CSF, COM, and ITD) and covered multiple topics, such as the development of a Personal Data Privacy Policy, a Fund-wide Vehicle Policy, Guidelines

on Responsible Use of Internal AI Tools at the Fund, policy harmonization in the areas of internal and external mobility, and ethics questions related to the Fund's Giving Together platform.

COMPLIANCE WORK STREAMS

Ethics Office contributions to the 2023 Financial Disclosure Program

The Fund's annual Financial Disclosure Program demonstrates the Fund's commitment to transparency and to avoiding any conflicts of interest with respect to staff members' work for the Fund and their personal financial interests and transactions. The electronic system for filing disclosure reports is administered by the Fund's External Compliance Advisor, KPMG, working closely with the Ethics Office and HRD to identify, address and mitigate any conflicts of interest. Staff participating in the financial disclosure program are at the A-15 level in area departments, COM, LEG, MCM, and SPR, in addition to all B-level staff, and A-level staff in CSF, FIN, and INV, as identified by each respective department.

While the program is well-established, enhancements were implemented in 2023 to include for the first time the publication of summary statements of interests and activities for the MD and DMDs, in line with the Implementation Plan for the Institutional Safeguards Review, and consistent with best practice at peer institutions.

Over the course of the 2023 program, which covered calendar year 2022, a total number of 625 individuals were identified as staff filers, and the Fund ultimately achieved a 100% participation rate through timely

electronic submissions of 594 filers and late electronic submissions of 31 filers. Of these, KPMG discussed a total of 16 cases with the Ethics Office, of which there was a finding of an apparent conflict of interest in 10 cases, a potential conflict of interest in three cases, an actual conflict of interest in only one case and no conflict in two cases.

Ethics Office contributions to RFP for selection of external compliance advisor

Following a Request for Proposals in 2022, a Fund-internal evaluation panel identified and recommended in 2023 a preferred vendor for the Fund's External Compliance Advisor role. Having previously played a key role in the RFP process, based on its work on the annual Financial Disclosure Program and deep knowledge base on conflicts of interest, the Ethics Office in 2023 assisted in delineating the expanded role of the recommended vendor, including with regard to increased reporting requirements to better meet the Fund's commitment to transparency and avoiding conflicts of interest. The Ethics Office also collaborated with colleagues in HRD, LEG, and Procurement on other aspects of the draft agreement and Statement of Work. At the end of the reporting period, the agreement was still in negotiations and the contract with the recommended vendor is expected to be in place in Q1 2024.

Ethics Office contributions to further develop the Designated Officer Role Since 2014, the Ethics Advisor has served as the Financial Conflict of Interest Designated Officer for the Investment Oversight Committee (Designated Officer) in connection with the Fund’s institutional conflicts framework, first appointed by the Managing Director on an interim basis and then on a permanent basis in 2018. Enhancements to the Designated Officer role have continued to be considered as part of the broader risk management framework in 2020 and 2022. The Ethics Office continued to work closely with colleagues in LEG and FIN on developing Terms of Reference for the Designated Officer, which were approved by Management in 2023. In addition, in April 2023 the Ethics Office attended the MDB Symposium on Conflicts of Interest, hosted by IFC, to expand its knowledge base on institutional conflicts of interest, as well as to network with and learn from colleagues at peer institutions. Work to implement further elements of the Designated Officer role will continue in 2024.

2023 Ethical Conduct Certification process During 2023 Q3, the Ethics Office carried out the mandatory Annual Ethical Conduct and Core Values Certification, through the Fund’s WorkDay portal.

The Annual Ethical Conduct and Core Values Certification exercise is both a means of acknowledging and a formalized tool for documenting that all Fund staff and long-term contractual employees worldwide, in HQ and overseas offices, are accountable and responsible for ethics at the Fund and can make a difference in promoting an ethical workplace. It is also intended to

demonstrate that Fund employees are committed to carrying out their work for the Fund according to the highest standards of conduct, in light of their status as international civil servants.

A total of 4,308 Fund staff and long-term contractual employees worldwide, in HQ and overseas offices, were asked to certify that they have read and understood the various provisions of the Fund’s Ethics framework, that they will comply with the Fund’s Ethics framework, and that they will act in accordance with the Fund’s Core Values.

The final overall compliance rate for the Ethical Conduct certification was 98%. The Ethics Advisor considers this a successful outcome since this represents an increase in the final overall compliance rate from the 2022 rate of 97%. It is hoped that enhanced reporting of individual and departmental compliance rates to Management, as one of the follow-up actions to the Staff Engagement Survey, will help further increase the compliance rate in 2024.

Ethics Office participation in the Oversight Committee of the IMF Integrity Hotline As an additional means to help promote internal good governance, the Fund established the IMF Integrity Hotline, a by now well established, confidential and anonymous service available online to anyone, anywhere and at any time, and by phone in North America, for reporting suspected misconduct involving Fund employees or misuse of Fund resources. To ensure confidentiality, the IMF Integrity Hotline is operated by an independent external service provider, via their secure web servers and telephone contact centers. To promote awareness

amongst Fund employees, the IMF Integrity Hotline is regularly featured in the Ethics Office's outreach and training activities, including during all Resident Representative briefings, all ethics inductions for new joiners, in the mandatory online Ethics course, "Positive Workplace" that was re-launched in 2021, as well as in the Mandatory Ethics Training sessions.

To ensure appropriate internal accountability, there is an oversight committee for the IMF Integrity Hotline of which the Ethics Advisor is an ex officio member. The Director of HRD is the Chair of the Oversight Committee and OII serves as its Secretariat. The other ex officio members of the Oversight Committee are the Directors of FIN, LEG, and OIA; and a SAC appointee (who shall not be a current member of the SAC) is an additional member. The Oversight Committee receives and reviews three reports per year, to review the Hotline's Operations, with an annual report on operations going to the Managing Director.

In 2023, the Ethics Advisor attended three meetings of the IMF Integrity Hotline Oversight Committee.

The meetings offered useful opportunities to discuss, on an interdepartmental basis, not only the Hotline reports, but also additional policy development opportunities.

Ethics Office participation in the Domestic Abuse Prevention Program (DAPP)

The Fund's Committee on Prevention of Domestic Abuse was created in 2012. It consists of representatives from several Fund offices and departments including the Ethics Office, OII, LEG, Security Services within CSF, the Human Resources Department; and the Counseling Unit of the Bank/Fund Health and Safety Directorate (HSD). In 2023, the Ethics Office was formally consulted on two DAPP matters.

During 2023, the Ethics Office also attended several DAPP outreach events that the World Bank and the Fund jointly organized. In October 2023, part of the Ethics Office Team attended the hybrid domestic abuse awareness event "Tech-Abuse: Domestic Abuse in the Age of Digital Monitoring," which was held at the World Bank to mark the occasion of National Domestic Violence Awareness Month.

SECTION 4

IMPORTANT DEVELOPMENTS

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IMPACT OF THE ISR IMPLEMENTATION PLAN ON THE ETHICS OFFICE

The implementation of the recommendations resulting from the Institutional Safeguards Review - which were accepted by the Fund's Executive Board in the ISR Implementation Plan - ultimately had a positive impact on the work of the Ethics Office: besides strengthening visibility amongst staff and enhancing the interaction with Management and the Board, it also resulted in additional support for the Ethics Office related to an extension of the Ethics Office's mandate to certain compliance related matters, and a clarification of the conditions of employment for members of the Ethics Office team. Going forward, at least some of the Fund employees working in the Ethics Office - namely those that work on matters that are part of the core mandate, where strong institutional knowledge is required - may be staff members of the Fund. The Ethics Advisor and Head of the Ethics Office - just like the heads of the DRS offices and the Office of Internal Investigations - will also hold limited-term staff appointments. It is envisaged that these changes will contribute to further strengthening the independence of the Ethics Office vis-à-vis Management and internal stakeholders.



NAVIGATING ETHICS IN THE POST-PANDEMIC WORK ENVIRONMENT

Looking holistically at the entirety of interactions with Fund employees and Management throughout 2023, including requests for advice and guidance, training events and policy consultations, the following observation seems obvious and still important to have on the record: as a result of the pandemic, the Fund as a workplace has gone through a period of change that has affected people's outlook, value systems, understanding of and buy-in for Fund rules. These changes may be linked to a higher than usual

turnover, a higher number of new joiners during the pandemic, and an evolving workplace culture with virtual and hybrid onboarding and interactions now the norm. These changes certainly provide challenges and opportunities for the Fund as an institution. Examples where ethical challenges may ensue are related to the status as an international civil servant, the Core Value of Impartiality, and the duty of loyalty to the Fund:

While the Fund is still a career organization, there has been for some time a trend towards greater career mobility and greater career flexibility, in line with workforce trends outside the Fund. From the Ethics Office's perspective, this trend has been accelerated during and following the pandemic, for instance through the increase in mid-career hires and the overall higher than usual turnover.

As a result, Fund employees may not - for different reasons, by choice or by necessity - expect or aspire to spending all or most of their professional career at the Fund, and instead see their role at the Fund as part of an ongoing career trajectory, with periods of pre-Fund employment and post-Fund employment.

While this is also fully in line with existing workforce trends outside the Fund, it seems important for the Ethics Office to be alive to potential ethical questions or dilemmas related to this trend: such questions

or dilemmas could be linked for instance to pre-existing external activities that new joiners wish to continue. There may also be a need to further raise awareness for existing post-employment conflict of interest restrictions and the fact that Fund employees may not use Fund resources or confidential Fund information for personal career purposes, while employed by the Fund and while negotiating for or transitioning to a new role.

For the Ethics Office, these developments mean an even greater need to be proactive in seeking understanding, buy-in, and support for the Fund's values and rules - and to remain friendly but firm as well as pragmatic as possible and as principled as necessary, in particular when Ethics Office's advice does not support the course of action already envisaged.

SUPPORTING COLLEAGUES THROUGH A PERIOD OF POLYCRISIS

In parallel to changes in the post-pandemic work environment, the Ethics Office also has observed the impact - and sometimes toll - that the current period of polycrisis has been taking and continues to take on colleagues: the World Economic Forum's Global Risks Report 2023 was one of the first to use the term in 2023, to explain how, *"present and future risks can also interact with each other to form a 'polycrisis' - a cluster of related global risks with compounding effects, such that the overall impact exceeds the sum of each part"* - and the Fund has also used the term in 2023, following the Fund's Annual Report 2022 that was entitled "Crisis upon Crisis."

Living and working through the pandemic, followed by the war in Ukraine, followed by a period of high financial and economic volatility that resulted in high inflation and a cost-of-living crisis, followed by the Israel-Gaza conflict, followed by a raise in Antisemitism and Islamophobia, means for many colleagues that they feel more stretched and pressured, both at work and personally: for many Fund colleagues, these crisis events had an impact on their professional life, triggering a higher workload, because the Fund - as an institution providing financial and economic support during crisis situations - had to respond to each of them.

At the same time, Fund colleagues also may have been personally affected – emotionally, physically, financially – by one or several of these crisis events. Ultimately, it means that Fund employees are more pressured, stressed, and possibly more prone to burn-out than before the pandemic. Since it is well known that personal stress negatively impacts people’s judgment, including their ethical

judgement, the Ethics Office needed to be even more proactive in supporting Fund colleagues during this period of polycrisis: it required the Ethics Office team to act with enhanced elan, energy, empathy, and understanding, without compromising the Fund’s Core Values and ethical framework.

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POLICY AND TRAINING INITIATIVES

In 2024, the Ethics Office is looking forward to making a strong contribution to policy and training initiatives related to the ISR Implementation Plan, in particular the work on an enhanced Whistleblower Protection Policy and the revision of the “Positive Workplace” e-learning Ethics course. The Ethics Office will also continue to contribute to the evolving work on Ethics and AI at the Fund, in particular the Guidelines on Responsible Use of Internal AI Tools at the Fund.

CONTRIBUTING TO CULTURE CHANGE INITIATIVES THROUGH STRONGER INTERNAL COMMUNICATIONS

In partnership with the Diversity and Inclusion Officer and the SAC, the Ethics Office is also looking forward to contributing to further culture change initiatives, with the goal to further strengthen a culture of ethics and accountability throughout the Fund. In doing so, the Ethics Office will rely on further enhanced internal communications efforts, supported by a Communications Projects Officer who joined the Ethics Office in Q3/2023. The Ethics Office hopes that such enhanced outreach will ultimately help Fund colleagues at all levels and in all locations to safely navigate ethics through the current period of polycrisis.

THE FUND'S CORE VALUES

EXCELLENCE We strive for excellence in our work and in all our interactions with our member countries and all stakeholders of the Fund. We work together to the highest professional standards for the common public good of our global membership.

HONESTY We tell the truth. We are straightforward in our actions and honest in our relationships. When we say we will do something, we follow through and honor our commitments.

IMPARTIALITY We are objective, neutral, and impartial in providing advice and in discharging our professional obligations. Our professional judgment is not influenced by partisan politics, outside authorities or personal bias. We are responsible to our members and earn their trust and confidence every day.

INCLUSION We value diversity. We build diverse professional networks and teams fostering an engaging and inclusive environment that values individual uniqueness. We treat people as we would like to be treated. We respect each other and do not tolerate discrimination.

INTEGRITY We do what is right for our members, our communities, the Fund, and each other. We make hard decisions and tough choices. We do not compromise our values.

RESPECT We treat our colleagues, whether supervisors, peers, or subordinates, with courtesy and respect, without harassment, or physical or verbal abuse.





Information disclosed to the Ethics Office will be handled confidentially unless it involves possible past misconduct or raises a potential threat of physical harm. In such cases, information may be disclosed to other IMF officials on a need-to-know-basis.

If you have an ethics question, please contact the Ethics Office at ext. x39665, email us at ethics@IMF.org, or visit our office in HQ2 at 3A-372. We are available for in person, virtual, and hybrid consultations and meetings. You may also seek advice or report concerns about potential misconduct anonymously via the Integrity Hotline at +(1) 800.548.5384 (in North America), or IMF.org/integrityhotline (anywhere in the world).

