

# CORPORATE RESPONSE<sup>28</sup>

Roadmap. The outbreak of the COVID-19 pandemic implied drastic changes in the Fund's operations and working environment, which necessitated a wide-ranging institutional response. This section discusses some of those changes including human resource policy initiatives to manage staffing needs and alleviate work pressures (Section V.A); immediate budgetary steps to address crisis needs (Section V.B); and a massive remote-work experiment (Section V.C); followed by an assessment (Section V.D).

#### A. HUMAN RESOURCE POLICY RESPONSE

#### **Reallocation of Staff**

Off-the-bat measures. When the crisis broke out, rapidly building demands on staff were met initially through overtime and a temporary reallocation of staff within departments. In area departments, staff working in less critical areas were asked to volunteer for one-off assignments with teams on countries more affected by the pandemic. Meanwhile, functional departments with traditionally heavy CD activity, like FAD, responded by redeploying specialists internally from CD projects to work as fiscal economists on country teams.

Informal redeployments. While area departments and certain functional departments, like FAD and SPR, were facing increasing demands on their time, other functional departments, namely, the Institute for Capacity Development (ICD) and the Statistics Department (STA), found themselves with reduced workloads due to the unique nature of the crisis and the inability to travel.<sup>29</sup> Eager to help their co-workers and utilize their skills, a significant number of staff in ICD and STA volunteered to support crisis work in other departments. These informal "donations" of staff time quickly started thanks, in large part, to the matchmaking skills of Strategic Human Resources Partners (SHRPs) in various departments. By mid-April 2020, over 50 ICD staff and 10 STA staff were reallocated on an informal and temporary basis to provide direct support primarily to teams in area departments, RES, and SPR.

#### **Temporary Workforce Increase**

Recruitment plans. It quickly became clear that addressing the sharply increased workload for crisis needs would require more sustained staffing support for frontline departments. Thus, the IMF undertook several initiatives to increase temporarily the overall size of its workforce. Two early initiatives were allowing the rehiring of IMF retirees on contractual appointments and permitting the extension of contractual employees' contracts reaching

<sup>&</sup>lt;sup>28</sup> This section draws on background papers by Batini and Wojnilower (2023) and Koh and Wojnilower (2023).

<sup>&</sup>lt;sup>29</sup> Although ICD and STA as a whole experienced reduced workloads, certain divisions within these departments remained very busy during the early stages of the pandemic.

the four-year rule.<sup>30</sup> In practice, only 5 Fund retirees were rehired while 48 contractual employees had their contracts extended (IMF, 2020n).

Increase in authorized headcount. The most impactful HR initiative was the temporary increase in authorized headcount, which was raised by 52 full-time equivalent (FTE) staff positions in June 2020 and further in October 2020 to provide a total of 128 additional staff positions on a temporary basis to meet crisis-related needs. The total was raised once more in April 2021 to provide a total of 135 additional staff positions, of which 85 were for fungible economists (46 for area departments) (Table 1).

Slow progress in hiring. Unfortunately, progress in new hiring was quite slow (see Table 1). In total, only 12 additional economist staff were hired on a net basis by end-June 2020 and only 46 by end-March 2021. Moreover, frontline departments in desperate need of additional staff, like African Department (AFR) and SPR (which received the largest allocation of crisis positions), did not manage to increase their number of economist staff at all in the six months through end-September 2020, as new hires were offset by separations and transfers to other departments. HRD staff

indicated that there were multiple factors challenging the ramping up of hiring including the recent reorganization and centralization of the HR service delivery model, the need to learn to use effectively new systems such as Workday and My HR, and the generally heightened pressures on HRD from handling the multiplicity of initiatives to respond to the work pressures from the crisis (see below). Some HRD staff suggested that the slow pace of hiring also reflected the Fund's cumbersome hiring process and lack of an up-to-date map of staff's individual skills available across departments.

Market-driven process. The slow pace of build-up in headcount in front-line departments also owed, in part, to a decision to maintain the usual market-driven staff allocation process rather than override it to ensure that departments most in need obtained additional staff. This allowed departments to follow their preference for hiring internal rather than external candidates, since new hires from the latter group typically take more time and effort to get up to speed. This created a "musical chairs" effect, where the specific staff members in various seats changed but the total number remained the same.<sup>31</sup> This effect is illustrated in Figure 29, which shows gross staffing flows during the first six months of the pandemic.

TABLE 1. ADDITIONAL HEADCOUNT: CRISIS ALLOCATION AND NET CHANGES (Headcount)

	TOTAL CRISIS ALLOCATION	END 2020Q2 VS. END 2020Q1	END 2020Q3 VS. END 2020Q2	END 2021Q1 VS. END 2020Q1	END 2021Q4 VS. END 2020Q1
AFR	18	0	-1	9	19
APD	7	2	1	4	5
EUR	5	1	-4	1	-5
MCD	6	4	-4	11	17
WHD	10	2	3	3	4
SPR	19	-6	6	0	6
FAD	14	4	3	8	11
FIN	14	-2	3	3	7
All IMF	135	12	20	46	104

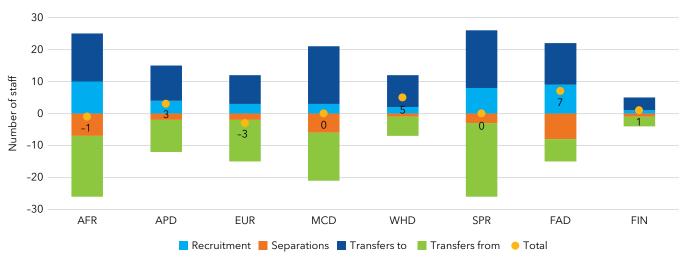
Sources: Total Crisis Allocation from Table 6 (IMF, 2021b); net headcount changes by department derived from HRD data on recruitment, separations, and interdepartmental transfers of staff in the economist career stream.

<sup>30</sup> Under normal circumstances, the maximum term of employment for contractual research officers and assistants is four years. However, given travel restrictions at the time, it was decided on humanitarian grounds that contractual employees reaching the end of their term could have their contracts extended for up to six months.

<sup>31</sup> Although this form of musical chairs did not help reduce work pressures, it did positively jumpstart a flow of interdepartmental mobility that had become stagnant.

### FIGURE 29. IMF STAFF FLOWS, END-2020Q1 TO END-2020Q3

(Number of staff)



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

Transfers overshadowed recruitments. The number of interdepartmental transfers dwarfed the number of external recruits during the early stages of the pandemic (see Figure 29). Departments like AFR and SPR experienced particularly heavy staff losses during this period and thus had to rely more on new hires from the midcareer pipeline. These departments were thus not able to raise their headcount and disproportionately bore the responsibility for onboarding new staff and ensuring progress on institutional diversity goals (IMF, 2021a).

Midcareer pipeline and structured recruitment framework. HRD was cognizant of the recruitment issues and took steps to improve the process. First, HRD accelerated replenishment of the mid-career pipeline, which largely had been exhausted by the first round of crisis hiring. 32 This replenishment, the single largest at the time, was concluded in September 2020 with 38 additional midcareer candidates added to the list (IMF, 2021a). According to staff, the replenishment speed as well as the quality and diversity of new candidates was excellent. The mid-career pipeline was replenished again in April 2021, after the second round of crisis hiring, this time with 53 mid-career candidates (IMF, 2022a). Second, HRD developed a

structured recruitment framework to expedite the process and spread the task of absorbing new recruits. One aspect of this framework, designed to facilitate a broader distribution of external hires across departments, involved departments agreeing to hire a minimum percentage of crisis positions from the midcareer pipeline, i.e., 25–50 percent (IMF, 2021a). Other aspects of this framework were designed to speed up internal recruitment, recognizing the long lags required by compliance with existing internal recruitment processes.

Workday's still limited recruitment functionality. Besides the lengthy administrative protocols presiding over intraand inter-departmental staff movements, some HRD staff attribute the slow and quantitatively unsatisfactory redeployment of Fund staff during the crisis to the lack of a system to identify staff by skills quickly and dependably. Workday—the Fund's novel Cloud-based system for human capital management—provides a centralized repository of job market ads, but remains a work in progress. Even today, it offers Fund recruiters only a basic recruitment function which does not provide details about a job candidate's skill set nor specify their working and/or functional experience.<sup>33</sup> This is limiting, especially during a crisis when

<sup>&</sup>lt;sup>32</sup> The midcareer pipeline comprised 26 candidates at the end of 2019.

<sup>&</sup>lt;sup>33</sup> Workday software offers considerably more in terms of potential functionalities with regard to skill identification, but these functionalities are currently not activated at the Fund.

the Fund needs to move fast and quickly identify staff with a specific set of capabilities and experiences (for example, emergency or program financing, regional knowledge, or languages) for strategic assignments or assignment to more durable crisis positions.

Impact of uncertainty. The hiring process also was held up to some extent by uncertainty over the likely duration of the crisis and the availability of crisis positions. When the second, fuller round of crisis positions was allocated in October 2020, it was unclear whether a budget augmentation for the following year would be approved to sustain the higher headcount (see Section V.B). Departments were warned at the time that some approved staffing authorization could be clawed back or that the additional expenses could require strict limits on travel and events (which were expected to become feasible) (IMF, 2020m). Thus, some departments chose a slower recruitment process while waiting for greater clarity about the longevity of the pandemic and its budgetary impact.

#### **B. BUDGETARY RESPONSE**

### **FY2020 Budget Updates and Underruns**

April 2020 staff proposal. As part of the regular budget process, in early March 2020 staff briefed the Board informally on preliminary proposals for the FY2021-FY2023 medium-term budget (IMF, 2020a).34 The FY2021 budget proposal maintained the flat real resource envelope and did not mention the possible implications of the COVID-19 pandemic on Fund resources, which were hard to assess at the time. However, the significant impact of the COVID-19 crisis on the FY2020 budget outturn and FY2021 budgetary needs quickly became apparent. Staff submitted an initial paper to the Board in April detailing supplementary information on FY2020 and revised proposed decisions for the FY2021 budget. This paper noted an estimated "underspend in FY2020 of about \$10 million (relative to the expectation of full execution prior to the crisis), driven largely by reduced travel and the shift to virtual Spring Meetings (IMF, 2020b).35 In addition, it highlighted that streamlining and reprioritization

opportunities were limited following substantial efforts in recent years.

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

# FY2021 Budget Reallocation and FY2022 **Augmentation Proposal**

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

<sup>&</sup>lt;sup>34</sup> The IMF's fiscal year runs from May 1 to April 30.

<sup>35</sup> The actual overall underspend was \$8 million.

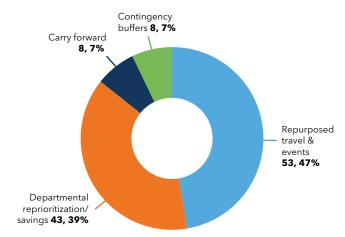
Budget allocations for crisis positions. As part of the repurposed FY2020 Accountability Framework, departments requested an additional 101 FTE staff and 43 contractual positions that, in total, would have cost approximately \$48 million (IMF, 2020j). Given that only about \$30 million was available under the FY2020 budget envelope, Office of Budget and Planning (OBP) proposed allocations that prioritized direct country support for intensified program engagement as well as policy and analytical work on crisis issues, among other factors. The Board approved the proposal in June 2020, which provided for an additional 52 FTE staff and 23 contractual positions. While some departments had all or most of their requests fulfilled, others only received a small percentage of the positions requested.

Proposed supplemental budget request. In October 2020, OBP led an informal Board discussion on the FY2020 budget outturn and FY2021-FY2022 budget strategy (IMF, 2020l). Staff estimated that gross crisis-related resource needs of \$112 million, including a further sizable increase in staffing and a return to 50 percent travel and events in Q3 and Q4 of FY2021, could effectively be met through \$43 million in savings from reprioritization of work streams and \$69 million of available resources from existing buffers as well as reallocation of travel and events budgets (Figure 30). Although additional budgetary resources would not be needed for FY2021, given these assumptions and the accompanying depletion of buffers, staff expressed the likely need for a temporary increase in budgetary resources in FY2022 above the flat real budget ceiling.

Lack of clear Board support. While several Board members expressed support for a further, temporary increase in staffing and an exceptional budget augmentation for FY2022 if needed, the majority were either unable or unwilling to make a decision at that time. Nevertheless, management approved authorization of the proposed sizable, temporary staffing increase alongside the need "to identify specific fallback measures that ensure adherence to a flat FY2022 budget, if needed" (IMF, 2020m).36

### FIGURE 30. FY2021 CRISIS NEEDS, SOURCE OF **FUNDING**

(In USD millions; percent)



Source: IMF (2020I).

Benign budget prospects. Fortunately, at least for the budget, as FY2021 progressed it became increasingly clear that travel and events would remain on hold for a longer time period and that it would take longer to fill all the authorized crisis positions. Actual spending in FY2021 therefore fell considerably relative to FY2020 and the need for a structural increase to address COVIDrelated needs in FY2022 abated. Eventually, a structural budget augmentation was approved in early 2022, but this was driven primarily by the need to provide additional resources for newly emerging priority areas such as work on climate and fragile states (IMF, 2021b).

## C. CHANGES TO THE WORKING **ENVIRONMENT**

# **Emergency Logistical Governance** and Strategy

Corporate logistical strategy. From the crisis onset, management tasked the Crisis Management Team (CMT)37 with leading the IMF's institutional health and safety response to the pandemic and put it in charge of all operational decisions regarding the Fund's working environment

<sup>&</sup>lt;sup>36</sup> Such measures could include limits on travel/events and a claw back of some crisis positions.

<sup>37</sup> CMT is a body composed of ten standing principals from various Fund functional departments and the Staff Association, headed by the Director of the Corporate Services and Facilities Department (CSF), which was established in 2011 primarily to deal with emergencies in the field.

and its premises. The CMT worked closely with the World Bank Health and Safety Directorate to obtain guidance on health and safety issues. HQ and most offices in the field were closed until further notice as of March 16, 2020. For staff in the field, a decision was made quickly to allow staff to voluntarily move back to HQ or their own countries, or to work remotely in the duty station. In the end, about 200 staff were relocated to their preferred location. In addition, all staff were given greater flexibility to work outside their duty station. In June 2020, CMT concluded it would not be safe to reopen HQ quickly and developed a framework for a gradual return to HQ that would be updated as health conditions and mitigation measures allowed. Reopening of field offices followed a similar approach calibrated to local conditions.

Evolution of the framework. The CMT met regularly over the course of 2020-21 to oversee the implementation of the gradual return plan (a process that is still underway although all offices have now returned to on-site operations in a phased manner using a hybrid model combining in-person and remote work). A robust communication campaign was arranged in conjunction with the Communications Department (COM) following all decisions, including holding regular virtual townhall meetings, to ensure staff were aware of upcoming changes. Briefings to the Board at first were quite infrequent and information was provided mainly in written form, leaving little opportunity for an informed discussion with the Board. While informal Board meetings became more frequent, CMT staff in interviews explained that responsibility for decision-making on these issues was in the realm of management, and the need for quick actions had limited the scope for Board engagement in early months. Several Board members lamented the lack of greater involvement in these large-impact operational decisions and wished for greater transparency about the rationale guiding decision-making for the plan to return to office, especially with respect to its timing and modalities. As the pandemic progressed, the CMT made considerable effort to engage with the Board before any major decisions were made by management.

#### **Shift to Virtual Work**

Real-life stress test for remote work. The IMF already was relatively well placed to shift to a remote work environment because infrastructure and work practices had been established to enable most staff to work from home during the IMF's Annual and Spring Meetings as well as to operate overseas regularly during missions. The shift was facilitated by the Fund's work during 2017-19 on a Crisis Management Plan, as part of which guidelines were designed for rapid modifications to work and to Fund closure due to epidemic and pandemic events.<sup>38</sup> With the pandemic's onset, aggressive steps were taken to further enhance staff's connectivity and equipment. Efforts were made to improve access to laptops and videoconferencing equipment for staff that previously had not been issued such devices. Online collaboration tools were launched and improved to allow teams to collaborate effectively while physically apart. Remote simultaneous interpretation solutions also were introduced to aid virtual missions and high-level meetings (IMF, 2021b).

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

Advantages of remote work. From staff's perspective, the fact that missions could take place over a longer period meant the number of meetings each day could be reduced, giving more time to absorb information and making it easier to meet the challenge of working across time zones. The virtual environment also meant that it was easier and cost effective to arrange for functional experts and to integrate field staff in a subset of meetings, improving the quality and depth of discussions. Moreover, country officials found the move to remote working meant

<sup>38 &</sup>quot;Administrative Guidelines for Epidemic and Pandemic Events Associated with Infectious Diseases" (IMF, 2017). In June 2018, the Fund carried out a weeklong high-level strategic exercise of critical crisis response and business continuity procedures. In February 2019, the Fund had convened a symposium to understand the impacts of antimicrobial resistance and pandemics.

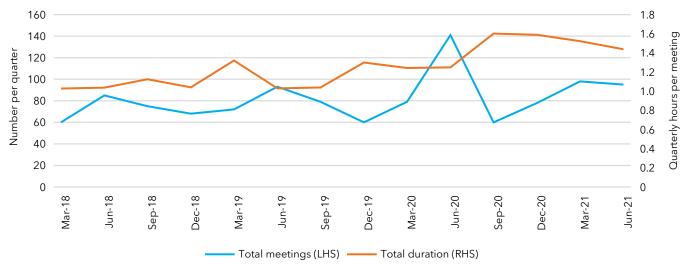
that it became more natural to maintain informal contact with staff, something that was particularly important during the period when staff's work on Article IV consultations was suspended and consultation cycles were extended.

Challenges of remote work. Despite these successes, the work-from-home environment also posed challenges for both staff and their counterparts. Staff's need to work across time zones and the fact that videoconferencing with country authorities tended to lengthen mission engagements, coupled with the large volume of lending and other activity, caused a sharp increase in overtime and a decline in leave usage. Pressures on staff with young children at home were particularly intense. Additionally, country teams mentioned less depth and access to information than typically gained through in-person interaction, particularly where relationships were not well established and for complex negotiations, like UCT programs.<sup>39</sup> Some country officials reported that their home internet connections were unstable, undermining the functionality of videoconferencing (IMF, 2021).

A virtual Board. The Board's shift to a virtual environment required a formal Board decision since there is a legal requirement for the Board to meet in person. The initial transition benefitted from the pre-existing IMF Connect platform, which allowed for relatively seamless document sharing and meeting scheduling. The IMF also shifted to a Webex platform for virtual Board meetings, which entailed better security features, a chat function, and an ability to designate a single host, making it easier for SEC to manage meetings.

Responding to the increased workload. The Board and staff also had to cope with a sharp increase in the workload, including in the number and length of meetings required to address pandemic-related lending requests and other matters (Figure 31). To help manage the processing of pandemic-related lending requests, various procedures were streamlined such as the adoption of a four business-day review period for RCF and RFI requests and for stand-alone requests for assistance under the CCRT (IMF, 2020f). The Chair's summing up and gray statements were expected to be relatively short as well. More broadly, a series of initiatives were launched on a temporary basis to help alleviate work pressures on staff and provide additional support, including a major streamlining of the annual talent management exercise, changes to benefit policies and processes, support for flexible work arrangements, and additional healthcare benefits. The Appendix to Batini and Wojnilower (2023) provides further information on these initiatives, although their assessment lies outside the scope of this evaluation.

FIGURE 31. VOLUME AND LENGTH OF EXECUTIVE BOARD MEETINGS (Quarterly)



Source: IEO staff calculations using SEC data.

Country teams also reported heightened sensitivity to sharing of confidential information, due to potential cyberattacks and security breaches as well as domestic legal restrictions.

Initial challenges. The Board and staff faced initial challenges accessing and adapting to the virtual environment. Many individuals did not have adequate home Wi-Fi connections at the outset of the pandemic and had not yet been issued IMF laptops or cell phones. Many individuals at the Fund also required extensive training on the use of WebEx and other virtual systems.

Shift to remote working largely successful in terms of ability to deliver work product. Over time, the Board, management, and staff became comfortable operating in the virtual environment and the scale and quality of operational work and Board oversight does not appear to have suffered greatly. Moreover, the fact there were no major glitches in the shift to a virtual environment nor any major security breaches is a strong testament to the success of the IMF's response. At the same time, however, the extended lack of field presence did complicate relationships with some countries. Moreover, in interviews, some Board members noted that interactions with staff in a virtual setting were not as effective as provided by an in-person setting, leading to frustration building as the period of remote work extended.

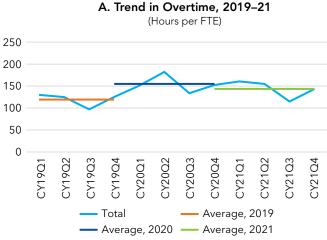
### **D. ASSESSMENT**

Remarkable adaptability. The IMF's corporate response to the pandemic demonstrated impressive commitment and flexibility in adapting to a crisis like no other. Numerous HR and budgetary initiatives were quickly introduced to support the Fund's crisis response, and the shift to remote work occurred almost overnight without impairing the Fund's capacity to respond to the pandemic related needs of its members. In making decisions, the Fund clearly gave priority to protecting the health and safety of staff, while taking necessary steps to ensure that the Fund was able to fulfill its operational mandate in the face of an unprecedented crisis.

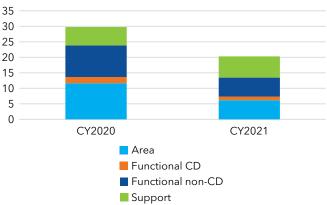
Work pressures. While applauding the overall success of the corporate response in terms of helping the Fund achieve its immediate work priorities, it should also be recognized that the COVID-19 pandemic, like prior post-shock and crisis periods, put huge stress on the institution and particularly its staff that could not be fully mitigated. Staff surveys conducted by CMT in April, May, and December 2020 signaled heightened risks to staff morale as well as work pressures, particularly for staff in front-line departments and those with dependents. Around 40 percent of Fund staff experienced difficulties in balancing work and life pressures through all of 2020. These struggles stemmed, at least in part, from an increase in overtime hours due to the heavier workload. Specifically, overtime hours per FTE in CY2020 increased by 30 percent over CY2019, with a peak in the second quarter of CY2020 (Figure 32, Panel A). Overtime hours have declined since then but remained nearly 20 percent above CY2019 rates in CY2021. The increase in overtime was particularly pronounced in area and functional non-CD departments, which comprises COM, FIN, RES, and SPR (Figure 32, Panel B).

FIGURE 32. INCREASING OVERTIME

Source: IEO staff calculations using OBP data.



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



IEO Staff Survey. Results from the IEO staff survey corroborate these findings. Ninety-four percent of respondents felt that significant additional overtime hours, beyond the pre-COVID norm, were required to complete their tasks during the crisis. Relatedly, 82 percent of respondents personally felt extraordinary stress because of the very heavy work pressures during the evaluation period, and 79 percent of respondents felt their work-life balance was hindered by time differences with counterpart country officials. Less than 40 percent of respondents felt country teams were staffed adequately to meet extraordinary needs and only 45 percent felt that HR policies and practices were adjusted in meaningful ways to help reduce excessive strains on work-life balance.40

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

HR management challenges. The fact that a large share of the workforce was logging at least 20 percent overtime for lengthy periods and experiencing significant strains on work-life balance highlights that the IMF relies on the discretionary effort of staff to handle a crisis. It also points to the challenges faced by HR management across HRD and other departments, particularly in augmenting and redeploying staff resources. The fact that the Fund was still adjusting to a new centralized HR delivery model and that the new HR management system was a work in progress and provided limited information on staff experience and expertise certainly complicated these challenges. The limited information available on staff experience and expertise underlines the urgent need to complete the transition. It also suggests a broader need to review Fund hiring mechanisms and to streamline recruitment procedures. Moreover, while a demand-driven internal labor market may work well to facilitate job matching and individual career development during normal times, a more top-down approach, approved temporarily during a crisis period, could help to address the shifting needs and reduce staff work pressures. Failing to address these issues exacerbates the risk of greater staff burnout and a decline in the IMF's attractiveness as an employer.

Budget flexibilities and constraints. The crisis also required substantial additional spending to meet crisis needs, including for a temporary expansion of the workforce. The budget response was managed nimbly, without requiring any ad hoc increases in the budget envelope, thanks to quick reprioritization and use of available buffers in the budgetary system, and the substantial budgetary savings from reduced travel and event expenses. Nevertheless, there are limits to the flexibility within the system, creating a persistent risk during crisis periods of a situation where additional funds are needed but the emergency buffer and carry forward resources are depleted or exhausted. While in principle a supplementary budget can be approved if needed, obtaining Board approval can take time and involve periods of uncertainty. The costs involved in 2020 were shown by the fact that the actual allocation of funds was delayed and uncertainty about the duration of additional resources slowed the hiring process.

Logistical strengths. By repurposing and empowering the CMT, an existing crisis operational team, and leveraging advice from the World Bank Health and Safety Directorate, the Fund managed to make decisions rapidly about access to Fund premises and repatriation of staff aimed at ensuring personnel health and safety. This way the Fund also ensured business continuity in serving the membership during the crisis, while the health and safety of the staff always received priority. A two-year plan was also developed for a gradual return to work in a new hybrid format at HQ and in the field and adapted over time in response to the shifting trajectory of the pandemic and related health risks. A robust communication campaign followed all decisions to ensure personnel were aware of the upcoming changes.

Logistical challenges. The shift to a virtual environment and the subsequent drawn-out re-entry process involved a number of challenges to IMF practices and processes. While decisions were taken in record time, the CMT as

<sup>&</sup>lt;sup>40</sup> Koh and Wojnilower (2023). While the survey response rate was relatively low, the 234 completed responses, the majority from staff working in front-line positions in responding to the pandemic, do provide relevant evidence on staff concerns.

constituted has limited resources to deal with high-impact, large scale, and/or permanent corporate logistical decisions. Staff interviews revealed that during 2020 this led to a situation where the team often felt overwhelmed relative to the multiple and urgent tasks at hand, had to rely heavily on World Bank guidance on the key health and safety decisions, and had limited available time for advance communication or more frequent interactions with the Board on key strategic choices. In addition, interviews and surveys suggest that numerous logistical decisions taken by the team could have been more flexible. For instance,

the Fund's phased reentry plan in 2021 was both more drawn out and comparatively more cautious than many peers. Although these choices made through an abundance of caution met the preference of a large portion of staff, they did have some consequences in terms of operational work, particularly where a restoration of field presence would have been useful for bolstering country relationships, and of the Board's capacity for effective oversight. More active communication and consultation with staff could have enhanced transparency and buy-in regarding decisionmaking for the return to HQ.