

## Possible Topics for Future IEO Evaluations, 2024–25

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This note identifies possible topics for Independent Evaluation Office (IEO) evaluations that could be launched during 2024 and 2025. For each topic, it discusses the preliminary rationale, focus, and timing. The IEO welcomes comments and suggestions from country authorities, Executive Directors, IMF management and staff, and external stakeholders.<sup>1</sup> After consultation and as ongoing evaluations are completed, the IEO will initiate work on at least two of these topics and will prepare a detailed issues paper for each new evaluation. The IEO may also identify other evaluation topics as circumstances change.

### 1. The IMF’s Approach to Climate Change

**Context.** Climate change has moved to the forefront of the global policy debate as a critical macroeconomic challenge that increasingly influences multilateral policymaking. The IMF has been engaged in the climate debate since at least 2008, with escalating attention following the 2015 Paris Agreement, featuring it in flagships and policy papers. Climate change considerations were integrated into the Fund’s work in macro-critical climate issues pilots in selected Article IV consultations during 2015–17. The Climate Change Policy Assessment (CCPA) was introduced jointly with the World Bank to help small countries vulnerable to natural disasters, with pilots conducted between 2017–20.<sup>2</sup> In July 2021, the Fund adopted a comprehensive climate strategy, noting that efforts to date had been largely ad hoc (IMF, 2021a). This new strategy scales up the work of the Fund on climate change, including: in bilateral surveillance wherever climate change triggers macro-critical policy challenges; attention in the flagship reports; the development of models, standardized toolkits and climate data; climate-related capacity development (CD); staff’s macro-climate skills; and the collaboration with partners, and the Fund’s outreach.<sup>3</sup> Further, in 2022, the Board approved the establishment of the Resilience and Sustainability Trust (RST) and its related Facility (RSF) (IMF, 2022) to complement the IMF’s existing lending toolkit by focusing on longer-term structural challenges—including climate change and pandemic preparedness.

**Evaluation focus.** As the 2021 climate strategy is being implemented, this evaluation would aim at drawing early lessons from experience that can serve as input to enhance its effectiveness. It

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<sup>1</sup> The IEO can be contacted via “Let’s talk” section on its [website](#) or email [ieo@imf.org](mailto:ieo@imf.org).

<sup>2</sup> The exercise is now called Climate Macroeconomic Assessment Program (CMAP) and is conducted independently by the Fund.

<sup>3</sup> The IEO evaluation of *IMF Collaboration with the World Bank on Macro-Structural Issues* (IEO, 2020) found that such collaboration had been uneven and suggested a more structured approach to increase value added.

would examine the processes for implementing the new strategy, seek to identify obstacles and challenges, and find areas for improvement. It would also cover work on the CCPAs/CMAPs and provide an assessment of the design and early implementation of the RST and RSF. The evaluation could look at issues related to the Fund's advocacy role, ongoing research, collaboration with partners, evenhandedness, and the Fund's catalytic role in mobilizing resources for the green transition.

**Format and timing.** This topic would be tackled as an early-stage *short evaluation*.<sup>4</sup> This approach would facilitate the provision of early perspectives on the implementation of the climate change approach and contribute to an effective use of Fund resources and coordination with other international organizations. Launching the evaluation in 2024 would be timely and consistent with planned staff reviews such as the full review of the RST (FY2026).

## 2. IMF Advice on Fiscal Policy

**Context.** The Fund's fiscal policy advice has evolved since the Global Financial Crisis (GFC), with this crisis and the COVID-19 pandemic marking a break with the traditional type of fiscal discipline advice. The Fund pushed for a strong global fiscal stimulus to help offset the contractionary impact of the GFC, before pivoting to support consolidation. Following the outbreak of the COVID-19 pandemic, the Fund supported further fiscal stimulus and warned against the danger of premature withdrawal, while also cautioning about the need to find room for meeting crisis-related needs in fiscally constrained economies. The Fund's advice has been informed by considerable technical work by staff, including on refining fiscal multiplier effects, assessing the availability of fiscal space and risks to debt sustainability, revenue mobilization, targeted expenditures, and the design of growth-friendly fiscal reforms.

Further, the Fund's fiscal advice has become more nuanced and granular in a context of increasing challenges for fiscal policy among members and an intense debate in the research community. Fiscal challenges have included: the need to support demand in a world with persistent large output gaps, ensuring medium-term fiscal sustainability amidst higher debt levels, finding a consistent policy mix to tackle inflation, increasing resilience, protecting the vulnerable and responding to inequality, supporting the green transition to a low carbon emission economy, addressing fragmentation challenges and the industrial policy in some countries, and the need for stronger medium-term fiscal frameworks and institutions.

**Evaluation focus.** This evaluation would focus on fiscal advice in the surveillance context, covering the period since the GFC, including advice to members during the COVID-19 pandemic and the subsequent resurgence in inflation. It would look at how Fund fiscal advice has evolved, how it has been tailored to country-specific circumstances, as well as its evenhandedness. It

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<sup>4</sup> Early-stage evaluations (ESEs) are completed prior to the completion of all activities under a policy. They can inform both the implementation of the later stages of the policy and draw preliminary insights on its outcomes but, giving their timing, they cannot assess final outcomes. ESEs combine formative and summative elements, in contrast to ex post evaluations, which are purely summative (IEO, 2023).

would seek to selectively examine how the advice has dealt with key issues such as the balance between short-term cyclical considerations versus medium- and long-term fiscal and debt sustainability, integration of fiscal and monetary policy advice, cross-border spillovers, and the implementation of measures related to revenue mobilization, targeted expenditures, fiscal institutions and rules, and other aspects.

**Format and timing.** Given the breadth and relevance of this topic, it would seem well suited for a **full-scale evaluation**. An evaluation of Fund fiscal policy advice seems timely, given the significant changes in recent years and the challenges faced by the membership. While the IEO has relatively recently conducted evaluations or updates of the IMF's exchange rate policy (IEO, 2017), structural conditionality (IEO, 2018a), financial surveillance (IEO, 2019a), unconventional monetary policy advice (IEO, 2019b), and growth and adjustment (IEO, 2021), the last evaluation dedicated to fiscal policy was conducted in 2003 (IEO, 2003).

### 3. IMF Engagement on Debt Issues in Low-Income Countries

**Context.** The IMF has historically engaged in addressing debt-related issues in low-income country (LIC) members in its surveillance, lending, and CD, and has provided technical support to facilitate debt restructuring in relevant cases. Notable initiatives include the Heavily Indebted Poor Countries (HIPC) initiative; the Multilateral Debt Relief Initiative (MDRI) and the Catastrophe Containment and Relief Trust (CCRT). The Joint IMF-World Bank Debt Sustainability Framework for LICs, established in 2005 and refined in 2017, has helped guide debt assessments and lending decisions. Since 2018, the IMF and World Bank have pursued a collaborative multi-pronged approach to enhance debt transparency and public debt management. However, LICs' debt situations have worsened, especially post-COVID-19, leading to challenges in their ability to access Fund resources and hindering debt restructurings in an increasingly complex creditor coordination landscape. To address this, the IMF has provided support to initiatives like the G20/Paris Club Debt Service Suspension Initiative (DSSI) and the Common Framework for Debt Treatment, and has contributed to the establishment of the Global Sovereign Debt Roundtable (GSDR), jointly with the World Bank and the G20.

**Evaluation focus.** The evaluation could focus on the Fund's support for LIC members on debt issues in surveillance, lending, and CD. It would assess the quality, effectiveness, and traction of IMF engagement, such as timely identification of debt vulnerabilities, provision of advice and institutional support, the role of the LIC-DSF in assessing risks to debt sustainability, the implications of debt sustainability assessments for LICs' access to the use of Fund resources, and issues of debt transparency and public debt management. It would also review the Fund's role and effectiveness in supporting recent debt relief and restructuring initiatives affecting low-income borrowers, its catalytic role, and the effectiveness of the Fund's collaboration with the World Bank on debt issues.

**Format and timing.** The breadth of the issues involved warrants a **full-scale evaluation**. The evaluation could be timed taking into account the projected review of Debt Sustainability Framework for Low-Income Countries.

#### 4. The IMF in a Multipolar and Shock-Prone World Economy

**Context.** In a context of rapid and fluid geopolitical change, where global cooperation faces strains, official creditor coordination proves challenging, and large emerging markets are considering alternatives to the traditional International Financial Institutions (IFIs), the IMF finds itself at a crossroads. The IMF's central role in the international financial architecture and the Global Financial Safety Net (GFSN) is being questioned amid increased volatility and more frequent and persistent shocks that differ from past economic and financial disruptions—including geopolitical tensions and the risk of fragmentation, exacerbated by the war in Ukraine, climate change, pandemics, and cyber incidents. The Fund has the challenge of effectively adapting to novel circumstances while safeguarding its resources and mitigating enterprise risks. The IEO's 2018 evaluation update on governance (IEO, 2018b) found that "the balance of the IMF's governance structure remains weighed in favor of effectiveness and efficiency, while accountability and voice have continued to raise concerns which if unaddressed could affect IMF legitimacy and, ultimately, effectiveness."

**Evaluation focus.** The evaluation would explore how the multipolar and shock-prone global environment impacts the IMF, taking a fresh perspective on two interrelated themes: first, the Fund's governance, considering its legitimacy, effectiveness, and evenhandedness in light of geopolitical and economic shifts; and second, the adequacy of its resources and associated safeguards, in order to fulfill its mandate in this dynamic environment.

**Format and timing.** Given the wide, complex, and interrelated nature of the issues involved, this evaluation would be suited to a **full-scale evaluation**. Given the fluidity of geopolitical and economic developments in the current context, as well as planned discussions on quota realignment in the short-term, it would be beneficial to conduct this evaluation at a later stage to allow for ongoing processes to conclude.

#### 5. IMF Approach to Inequality and Socio-Political Developments

**Context.** The Fund's external critics often argue that the IMF's focus on macroeconomic stability prevents the institution from taking sufficient account of the impact of its interventions on the political economy of its members, including inter alia inequality, protection of the most vulnerable, social sustainability, and the quality of governance and institutions. Although the Fund's approach to these issues has evolved, events like the GFC, commodity price shocks, the COVID-19 pandemic, or political polarization have underscored the necessity to broaden the Fund's traditional approach to stability beyond fiscal, monetary, exchange rate and financial policies. In this respect, the 2018 Review of Conditionality (RoC) found that additional attention to political economy risks would be prudent and recommended to strengthen the analysis of institutional and political capacity to deliver program objectives on a realistic timetable (IMF, 2019). In the same vein, the 2021 Comprehensive Surveillance Review (CSR) established economic sustainability as one of the surveillance priorities for the period ahead and determined that it should consider factors such as inequality, socio- and geopolitical developments, institutional constraints, and demographics (IMF, 2021b).

**Evaluation focus.** This evaluation would aim to assess the IMF’s institutional approach to socio-political developments, and how these factors have been incorporated in the Fund’s policy advice, lending, and CD. The assessment would cover various aspects including those related to the Fund’s approach to inequality and inclusion, its consideration of the political economy constraints, the quality of governance and institutions, country-level work, and collaboration with other international organizations. The evaluation could also assess the effectiveness of the Fund’s involvement and examine the perception of country authorities in these areas. Case studies would be drawn from countries in different regions and income groupings.

**Format and timing.** Since this evaluation would cover a broad range of issues, it would be suited for a **full-scale evaluation**. It could be launched in 2025, which would allow for providing valuable input to the future CSR review, currently scheduled for FY2027.

## 6. The IMF’s Modernization

**Context.** Against the backdrop of rapid and complex global transformation, the Fund must remain an organization fit for purpose, equipped with the necessary business model and safeguards, talent, and up-to-date infrastructure to fulfill its mandate and effectively support its membership. Over the past years, the IMF has undertaken strategic initiatives to maintain and enhance a modern and agile structure. Addressing prior shortcomings in digital infrastructure investment, the organization has implemented its modernization agenda,<sup>5</sup> concurrently streamlining the human resource (HR) function through diverse programs and intensifying efforts to boost inclusion and diversity. Furthermore, a comprehensive review of Institutional Safeguards was launched to improve the Fund’s governance structure, and to help ensure the highest standards encompassing data and analytical integrity, internal governance, and staff engagement. Beyond HQ operations, the Fund has expanded its operational footprint in resident representative and regional offices. Additionally, the Fund rapidly shifted to remote work during the COVID-19 pandemic and further adapted its workplace implementing a Hybrid Work Model.

**Evaluation focus.** The evaluation would assess whether these measures have effectively positioned the Fund as a modern, agile institution able to fulfill its mandate and respond to rapid changes in the upcoming decades. It would aim to provide high-level findings on how adequately prepared the Fund is to support and meet the demands of its membership in an ever-changing global landscape in terms of organization, safeguards, talent, and diversity. The evaluation would assess how the different initiatives have strengthened organizational resilience and efficiency and have impacted the ability of the Fund to ensure it is a modern and fit-for-purpose organization, both at HQ and on the ground. The assessment would also draw from findings in previous evaluations related to the assessed issues.

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<sup>5</sup> The large modernization projects are: 1HR, Capacity Development Management and Administration Program (CDMAP), Integrated Digital Workplace, iData, and Knowledge Management.

**Format and timing.** Given the wide scope and breath of the issues, this evaluation is well suited for a **full-scale evaluation**. The ongoing nature of this topic allows for a flexible timing on its implementation.

## 7. The IMF's Integrated Policy Framework

**Context.** The IMF's advice on capital flows and capital account liberalization has evolved significantly with the adoption of the Institutional View on the Liberalization and Management of Capital Flows (IV) in 2012 and its 2022 Review. In 2020, the launch of the Integrated Policy Framework (IPF) complemented the IV by addressing the optimal combination of macroeconomic and macroprudential measures—among monetary policy, FX intervention, exchange rate flexibility, capital flow management measures, and macroprudential measures. The IPF provides a tool for determining the most effective policy mix to respond to shocks and rapidly changing conditions in the global economy. It constitutes an integrated perspective of capital account policies, incorporating macroeconomic, structural, and financial sector policies tailored to country-specific characteristics. The Board was updated in July 2023 about the progress of the IPF operationalization and next steps.

**Evaluation focus.** The evaluation would assess the benefits of the framework and its effectiveness in containing associated risks. It would examine whether the IPF has provided a sound basis for policy advice, including the role of judgement, and identify implementation issues and challenges. It would also evaluate the multilateral dimensions of the framework, including its relevance for limiting disruptive spillovers and unintended consequences for third countries. Country cases would provide a comprehensive overview of the framework's implementation in different regions and income groups.

**Format and timing.** Given its sharp focus, the topic would be well suited for a **short evaluation**, providing an initial assessment of the experience with the IPF since its launch and ongoing operationalization. It would be useful to schedule this evaluation being mindful of the next review of the Institutional View, yet to be scheduled.

## 8. IMF Communications

**Context.** Communication serves as a strategic tool to ensure that policymakers, financial markets, and the wider public understand and support the Fund's objectives, policies advice, and operations. In doing so, it contributes to the perception of the Fund as a trusted advisor, strengthening its reputation, credibility, and traction with member countries. The evolution of the Fund's communications has aligned with changes in the global economy, technological innovations, and internal developments. The IEO evaluation of *The Role of the IMF as Trusted Advisor* (IEO, 2013) noted that while the Fund was increasingly perceived as more open, listening, and responsive, adverse legacy and stigma issues persisted. Moreover, the effective and credible communication of IMF activities requires transparent, accurate, accessible, and replicable data. Overall, the evaluation would assess the contribution of communications to the Fund's ability to fulfill its mandate.

**Evaluation focus.** An evaluation of the Fund’s communications could help examine the extent to which the IMF has been effective in conveying its messages, both to external stakeholders (including member countries, media, and civil society) and to its own staff. Relevant aspects of communications to be covered would include: its efficiency, credibility and trustworthiness as perceived by the membership and other relevant stakeholders, the consistency and tailoring to diverse audiences, the evolution over time to reflect technological and other trends, and its role in enhancing the traction of the Fund’s advice and research, including through data accessibility and transparency.

**Format and timing.** Given the focused scope of the topic, this could be a **short evaluation**. As the Fund’s Communication Strategy Review is forthcoming, this evaluation could be conducted after the Review has been completed to assess its implementation.

## 9. Issues from Previous IEO Evaluations: Lessons for the IMF (2<sup>nd</sup> edition)

**Context.** In 2014, following the recommendation of the second external review, the IEO produced an evaluation on *Recurring Issues from a Decade of Evaluation: Lessons for the IMF* (IEO, 2014), highlighting major recurring issues from the IEO’s first 20 evaluations.<sup>6</sup> While the review did not provide recommendations, it underscored the need for establishing a framework for reviewing and monitoring recurring topics. The follow-up process to IEO evaluations has a well-developed system for formulating and tracking the implementation of actions that respond to Board-endorsed IEO recommendations. However, it does not assess how persistent issues identified across IEO evaluations are addressed in substance. After almost a decade since the evaluation on recurring issues, it would be timely to conduct a stocktaking exercise to explore remaining and novel challenges.

**Evaluation focus.** The evaluation would focus on issues identified in previous IEO evaluations that impact IMF’s performance. It would reexamine, with a fresh perspective, issues and recommendations that remain from previous evaluations, how and in what context these have they surfaced, what has been done to address them, the extent to which the objectives have been achieved, and whether challenges remain. In contrast to the previous review, the evaluation will offer recommendations on how to effectively address these issues.

**Format and timing.** Given the well-defined focus of the assessment, this evaluation is well suited to be a **short evaluation**. It could be conducted after the forthcoming IEO external review is completed and have a flexible timing to increase the stock of evaluations to be assessed.

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<sup>6</sup> The evaluation found the following recurring substantive issues: shortcomings of Executive Board guidance and oversight; organizational silos; insufficient attention to risks and uncertainty; shortcomings in country and institutional context; and perceived lack of evenhandedness.

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