



Independent Evaluation Office
of the International Monetary Fund



PROGRESS REPORT TO THE IMFC ON THE ACTIVITIES OF THE INDEPENDENT EVALUATION OFFICE OF THE IMF

April 18, 2022

Overview. Since the 2021 Annual Meetings, the IEO has made considerable progress with three ongoing evaluations, while two management implementation plans (MIPs) to follow up on recommendations from previous evaluations have been approved by the Board. In addition, to mark its twentieth birthday, the IEO organized a virtual conference to reflect on experience from its second decade and consider future challenges. We have also contributed to the ongoing work on institutional integrity at the IMF, drawing on a stocktaking of material contained in past evaluations and are considering additional work on these issues as we select two new evaluation topics later this year.

IEO Work Program. The IEO has just sent to the Executive Board its evaluation of *IMF Engagement with Small Developing States*, which will be discussed with the Executive Board on May 6. Work is also well advanced on two other evaluations: an evaluation of IMF capacity development work, to be completed by September 2022, and an evaluation of the Fund's emergency response to the COVID-19 pandemic, to be completed in early 2023. Given strong interest, we offered the Board a mid-point update on initial findings and tentative lessons from the emergency response evaluation on March 24.

Recent Management Implementation Plans

- The MIP prepared by IMF staff for the IEO evaluation of *Growth and Adjustment in IMF-Supported Programs* was wide-ranging and thorough, responding well to the Board-endorsed IEO recommendations. Key actions aim at: (i) increasing the realism of growth projections and fostering a more systematic analysis of contingency plans and social and distributional implications in Fund-supported programs; (ii) encouraging deeper and more growth-oriented structural reforms leveraging more effective collaboration with external partners; and (iii) further developing and deploying new analytical tools to support greater attention to growth in program work.
- A second MIP reformulated eight actions that the Executive Board had judged needed further follow-up in its discussion of the backlog of off-track actions in January 2020. While this MIP had been delayed by the pandemic, it now commits the Fund to serious efforts to address Directors' concerns about identified shortfalls in implementation of the original MIPs. Key commitments include: actions to lengthen average tenure in

country assignments, to enhance knowledge sharing in country handovers, to improve incentives for sound data management, and to create a more robust process for reviewing working papers.

IEO@20 Conference. In November 2021, the IEO hosted a virtual conference to mark the 20th anniversary of its opening in 2001.

- **Focus and sessions.** The conference was opened by the Fund’s Managing Director and included speakers from current and former Fund staff, IEO staff, and Executive Directors, as well as external stakeholders. It provided an occasion to discuss the experience with IEO evaluation work over the past ten years and consider the challenges to evaluation at the Fund going forward. The conference included sessions on: (i) whether the IEO helped the IMF do its job better over the past decade and what lessons can be learned; (ii) how best the IEO can help the IMF meet the challenges it will face over the coming decade and what can the IEO learn from the work of other evaluation offices; (iii) the broader role of evaluation in strengthening institutions (keynote address by Professor Ngaire Woods); and (iv) how to strengthen the overall contribution of evaluation at the IMF.
- **Key messages.** Several messages emerged from the remarks of conference participants. There was widespread recognition that the IEO’s evaluations have had a tangible impact on IMF policies and practices over the past ten years, reflecting in part efforts to strengthen focus and follow-up. To sustain and enhance the IEO’s impact over the coming decade, participants suggested that the IEO should: (i) be ready to take on topics on which the IMF is planning a growing role, such as climate change, including through “early stage” evaluations; (ii) work more intensively with other evaluation offices in evaluating topics where the Fund needs to collaborate effectively with partner institutions; and (iii) explore use of state-of-the-art evaluative tools.
- **Follow-up.** As with the IEO’s 10th anniversary conference in 2011, the 20th anniversary conference proceedings will be collected in a book to be released later in 2022. Relevant issues could also be considered further by the next external evaluation of the IEO itself, scheduled to be launched next year.

New evaluation topics. The IEO will be selecting two new topics for evaluation later this year as ongoing evaluations are completed. As well as consulting widely with stakeholders, we will consider lessons from the IEO@20 conference and issues identified in our stocktaking of past IEO work on issues related to institutional integrity.