

Managing Risks through Transparent Accountability

**Fourth External Evaluation of the Independent Evaluation Office
June 3rd 2024**

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Our work would not have been possible without the extensive engagement of internal and external stakeholders. Appendix B presents a summary of the interviews we conducted, but a simple list cannot do justice to the quality of the interactions we had with country authorities, think tanks, academics, international financial institutions, and their evaluation teams. We thank their disposition and, of course, their insights. We conducted three surveys: to the IMF Staff, country authorities and ED offices, and to external stakeholders. The latter was conducted for the first time since external evaluations to the IEO were instituted. We thank the staff at the IMF for efficiently processing these surveys.

Alfie Ulloa, our research officer, provided excellent assistance and contributed valuable insights drawn from his extensive career in international affairs and public service.

Mr. Zhongxia Jin, a member of the panel, resigned on April 29th due to his new duties at the New Development Bank. At the time, the bulk of our work, including the presentation of preliminary results to the IEO, the EVC and IMF Management, had already been completed.

List of Acronyms

- AED – Alternate Executive Director
- AIIB – Asian Infrastructure Investment Bank
- APD – Asia Pacific Department
- BIS – Bank for International Settlements
- BoE – Bank of England
- BoJ – Bank of Japan
- BWC – Bretton Woods Committee
- CEIU – Complaints-resolution, Evaluation and Integrity Unit
- DMD – Deputy Managing Director
- ECG – Evaluation Cooperation Group
- ED – Executive Director
- EVALNET – OECD Network on Development Evaluation
- EVC – Evaluation Committee of the Executive Board
- FDF – Federal Department of Finance
- HRD – Human Resources Department
- IADB – Inter-American Development Bank
- ICS – International Civil Service
- IEG – Independent Evaluation Group
- IEO – Independent Evaluation Office
- IFIs – International Financial Institutions
- IMF – International Monetary Fund
- IMFC – International Monetary and Financial Committee
- LEG – Legal Department
- MAS – Monetary Authority of Singapore
- MD – Managing Director
- MIPs – Management Implementation Plans
- NDB – New Development Bank
- OAP – Office of Asia Pacific
- OBP – Office of Budget and Planning
- ORM – Office of Risk Management
- OECD – Organization for Economic Co-operation and Development
- PBoC – People’s Bank of China
- PIIE – Peterson Institute for International Economics
- PMR – Periodic Monitoring Report
- RES – Research Department
- SARB – South African Reserve Bank
- SMART – Specific, Measurable, Attainable, Relevant, Timely
- SNB – Swiss National Bank
- SPR – Strategy, Policy, and Review Department
- WBG – World Bank Group
- WHD – Western Hemisphere Department

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Executive Summary

The world needs the International Monetary Fund, and the IMF needs the Independent Evaluation Office, particularly in the current high-risk environment of geoeconomic fragmentation. The rules-based international monetary system, to which the IMF belongs, hinges on an environment fostering constructive collaboration and accountable public institutions for its efficacy. In public governance, best practices underscore the importance of transparency and accountability to enhance trust and ensure the scrutiny and evaluation of policies and frameworks. These practices involve clear and open communication, with inclusive decision-making processes that allow capturing diverse viewpoints and boosting institutional legitimacy, as well as regular reporting and independent evaluations to assess performance and pinpoint areas for improvement. The IEO is instrumental in these respects.

Our Mandate

This fourth external evaluation of the IEO, covering the 2019-2023 period, seeks to assess the office's effectiveness across five dimensions:

1. **Evaluation Topics:** Evaluating the appropriateness, relevance, timeliness, independence, and selection of evaluation topics by the IEO.
2. **Interactions and Collaboration:** Analyzing the interactions between the IEO and IMF management, staff, the Executive Board, and external stakeholders, including other international financial institutions.
3. **Focus and Format of Reports:** Assessing the timeliness, format, conciseness, prioritization, and resource implications of IEO reports and recommendations.
4. **Traction and Implementation:** Reviewing the progress in implementing IEO recommendations and strategies to enhance this process.
5. **Resources:** Evaluating the adequacy of human capital and budgetary resources given to the IEO.

Findings and Main Recommendations

In our view, the IEO's primary institutional objective is to support the Board's governance and oversight by providing independent, objective evaluations that reveal the effectiveness of the Fund's policies and operations, thus aiding informed decision-making and oversight by the Board. This function is uniquely provided by the IEO. Moreover, the IEO should consider undertaking early-stage evaluations, for timely course correction. This is essential for achieving the stated objectives of supporting oversight and governance by the Board, as well as fostering learning and strengthening the external credibility of the Fund's work. The recent example of the Evaluation on the Emergency Response to the Covid crisis provides a good blueprint on the utility of early-stage evaluations, without interfering with ongoing programs.

It is our view that the IEO appears adequately resourced to discharge its objectives. However, we believe there is room for improvement in the HR policy at the IEO. The IEO should undertake a process of consultation to propose to the Board such a review in the HR policy, following the principle that the IEO Director's be given significant leeway to work, always within the budgetary envelope, in choosing the right mix for the contractual/permanent staff composition.

Topic selection and evaluation methodologies are critical and are independently chosen by the IEO Director. However, independence does not equate to discretion, and the process can be significantly enhanced by implementing a more structured and transparent strategy for selecting evaluation topics, with explicit criteria. As part of this process, we see merit in Management spelling out issues that could benefit from an IEO evaluation. Publicizing the criteria for topic and methodology selection early in the Director's tenure through an Evaluation Policy and Strategy document will enhance understanding and trust in the IEO's work, as well as improve clarity and accountability.

The quality of recommendations can be improved by enhancing their prioritization and making them more prompt, impactful, and relevant. In addition to simplifying the product line to short and full-scale evaluations, we recommend that the IEO aims to complete full-scale evaluations within 18 months, to support timeliness and relevance. Shorter evaluations should also be considered, along with a limited number of recommendations, to reflect priorities without excessive delay. Prioritization could be enhanced by an interim and informal engagement process between the IEO, staff, and management focused on findings before drafting recommendations. Stronger ownership of IEO recommendations could be facilitated by more active engagement by the IEO with Management and staff, without affecting the independence of the evaluation office in this process.

The strategic focus of IEO evaluations and the expertise existing within staff and management suggest that SMART criteria should also apply to implementation plans. The IEO needs a formal voice on whether implementation plans, both general and specific actions and their follow-up process, remain aligned with the recommendations endorsed by the Board. The accountability of implementation plans would be enhanced by management issuing brief statements ahead of discussions of periodic monitoring reviews and including a short reference to the pace of implementation within the GPA.

The collaboration between the IEO and other international financial institutions, particularly the World Bank's Independent Evaluation Group (IEG), has potential and limitations. On the one hand, there are many cross-cutting emerging themes across IFIs, raising the question of how best to evaluate institutional performance in these areas. Although simultaneous evaluations and a collaborative approach to information and sharing of methodologies present many advantages, joint evaluations should only be considered for topics that have reached a high degree of maturity in each institution. The differing institutional mandates and procedures, both at the IFI and at its evaluation offices, implies significant complexities in devising joint evaluation work in other areas.

Over two decades, the IEO has established a high degree of credibility and a reputation for rigor. Founded in 2001 and operating independently from IMF management and staff, the IEO maintains an arm's length relationship with the IMF's Executive Board. This structure is essential for upholding transparency and accountability principles in evaluating IMF policies and operations. The IEO primarily supports the Executive Board's governance and oversight responsibilities, fosters a learning culture within the IMF, and bolsters the Fund's external credibility. The success of independent evaluations centers on careful topic selection, appropriate resource prioritization, and prompt, effective implementation plans. We hope our report aims to provide a basis for further strengthening a credible institutional framework that has matured for more than two decades. We look forward to the endorsement, follow up, and implementation of the recommendations included in our evaluation.

Introduction

1. **The Independent Evaluation Office (IEO) was established in 2001 to support the IMF's Executive Board** by systematically conducting independent and objective evaluations of Fund's policies and activities.
2. **After two decades of continuous work, the IEO has built its reputation and capacity both within and outside the institution.** The IEO's mandate has evolved primarily from the recommendations of three external evaluations (2006, 2013, 2018) and remains focused on providing the IMF with an independent perspective to enhance accountability, knowledge, and transparency. The IEO operates independently from IMF management and staff and works at arm's-length from the IMF's Executive Board. According to its terms of reference, the IEO is required to avoid interfering with operational activities, including current programs.
3. **Currently, the IEO pursues three interrelated objectives:** i) to support the Executive Board's institutional governance and oversight responsibilities to increase accountability, ii) to enhance the learning culture within the IMF by improving the ability to draw lessons from experience, iii) to strengthen the IMF external credibility by enhancing transparency and improving understanding of the work of the IMF.
4. **Earlier external reviews in 2006, 2013 and 2018 identified some weaknesses and trends that were a cause of concern.**¹ All evaluations emphasized the importance of maintaining the independence of the IEO to ensure the credibility and effectiveness of its evaluations. Over the years, the IEO has grown in its role and responsibilities, expanding its scope to include evaluations of broader and more complex issues facing the IMF, addressing both strategic and operational aspects of the Fund's work. Previous panels consistently highlighted the significant impact of the IEO on the IMF's approach to transparency and accountability. However, achieving and measuring necessary cultural and behavioral changes within the IMF remains challenging. For instance, a recurring theme in previous panels has been the insufficiency of implementation and follow-up of recommendations, requiring a systematic approach where the IEO, management, and the Board actively participate.
5. **The terms of reference of this fourth external evaluation aim to assess the IEO's effectiveness across several dimensions** covering the 2019-2023 period, including: i) the appropriateness, relevance, timeliness, independence, and selection of the IEO's evaluation topics; ii) the interactions between the IEO, management, and staff and the Executive Board; collaboration with evaluation offices of other IFIs; engagement with external stakeholders; iii) the focus and format of IEO reports, including timeliness, format ("short" vs. "full evaluations"), conciseness, prioritization and resource implications of recommendations, application of the SMART criteria to the IEO recommendations and specific suggestions (sub-recommendations); iv) the traction of IEO work, and progress in implementing IEO recommendations, including addressing the stock of pending recommendations, and how to

The IEO has been examined by three earlier external panels. The first panel in 2006 (covering the period 2000-2005) was chaired by Karin Lissakers, with Ishrat Husain and Ngaire Woods; the second panel in 2013 (covering the period 2006-2012) was chaired by José Antonio Ocampo, with Stephen Pickford and Cyrus Rustomjee; and the third panel in 2018 (covering the period 2013-2017) was chaired by Donald Kaberuka, with Der Jiun Chia and Pernilla Meyersson.

further strengthen implementation of Board-endorsed recommendations and possibly further streamline implementation monitoring.

6. **We approach this review considering that the IEO has over twenty years of experience,** dozens of reports delivered, and three earlier external evaluations. As such, the IEO is at a mature stage of institutional development and has firmly cemented its reputation and independence. We consider current issues and recurrent challenges, some of which have already been mentioned in earlier evaluations and in the interviews. The existence of recurring issues reflects that the independent evaluation function requires making decisions among difficult and complex trade-offs. This is also the case in our own work.
7. **Our report is structured as follows.** In section 1, we present the evaluation methodology and the framework we use to understand the evaluation cycle and the key trade-offs it faces. This is a systemic and recurrent process, and thus each piece must be understood not only by itself but also by how it interacts back and forth within the evaluation function. We then present in Section 2 the main takeaways from past evaluations of the IEO, as well as a summary of internal (but public) IEO work by departing IEO Directors. We believe this provides a proper context for our work, because as noted, many themes we raise in our work have been recurrent. Then, Sections 3 and 4 present our main findings and recommendations, separated into a first group related to the IEO's institutional objectives and the resources needed to achieve them, and a second group on the specifics of the evaluation process. We highlight in each of these sections the specific recommendations that in our view are aligned with achieving the spirit of our findings. The final section concludes, and several Appendices and Annexes are included at the end.

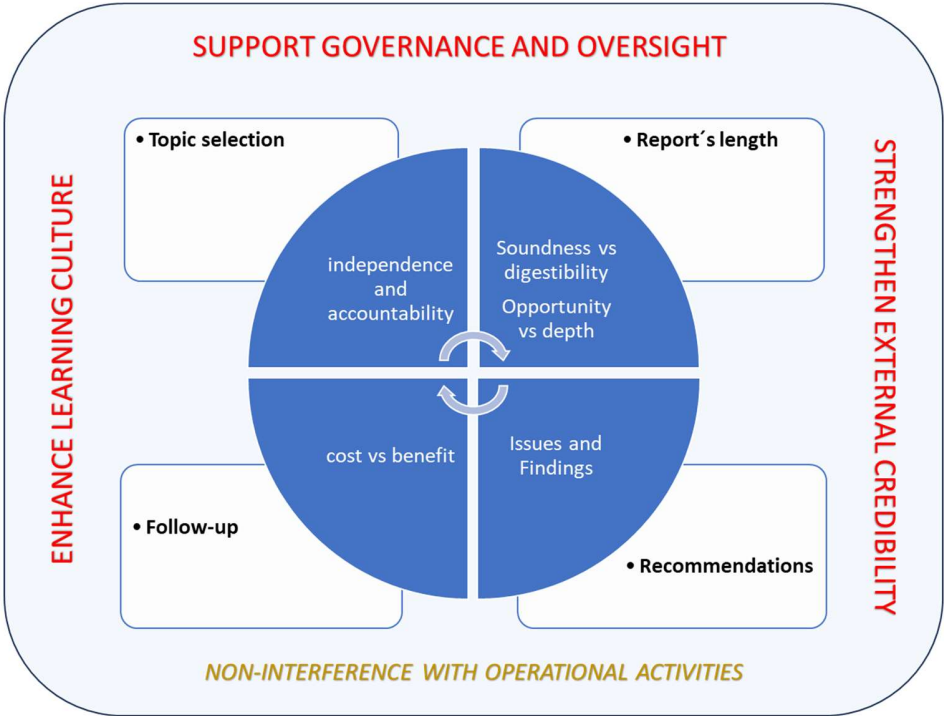
1. Methodology

8. **We broadly follow the methodology used by earlier external panels.** We rely on interviews with informed counterparts both within and outside the IMF. We interviewed all Executive Board offices, former Executive Board members, key staff and management, members of the earlier external evaluation panels, country authorities and current and past IEO officers. Additionally, we interviewed evaluation office members at other IFIs and think tank researchers. Appendix B provides the list of interviews. We also surveyed the IMF staff, the Executive Board offices, country authorities, and external stakeholders. This is the third time the IMF Staff has been surveyed in the context of the IEO evaluations, the second time for country authorities and ED offices, and the first time for external stakeholders. On this last point, the IEO kindly provided a 400-contact list of think tanks, NGO, academics, that over the years they have interacted with. Annexes 1 to 3 includes the survey questionnaires utilized.
9. **The process of conducting surveys revealed two important features.** On the one hand, not unlike broader trends, the response rates declined significantly compared to previous external reports, hovering around 10-15%. This is similar in any case to response rates obtained by the IMF in internal surveys. On the other hand, respondents provided significant inputs in the free-form part of the surveys. Given the extension of these responses, and to preserve anonymity, we did not include the detailed answers but rather summaries of the main themes that were raised. These are also included in Annexes 1 to 3.

10. **We reviewed IEO publications from the relevant period (see Appendix A)**, particularly those associated with the growing culture of self-assessment within the IEO. Former IEO Directors have published books near the end of their tenure, reflecting on the role of the IEO and the challenges it has faced and is likely to face in the future. Internal self-assessment documents have also informed our work. The evaluation process is by necessity interactive, requiring engagement and a frank exchange of views. We thank all our interviewees for contributing to this process.
11. **We refrained from assessing the pertinence or implementation of recommendations** stemming from specific evaluations. This would have gone beyond our purview, as our evaluation is from a higher-level perspective. Any opinions in our work about specific evaluations are informed by stakeholder feedback in interviews and surveys, which provides views on specific evaluation areas.
12. **The process of independent evaluation performed by institutions like the IEO is permanently faced with hard choices.** Determining which topics to select, the depth, breadth and timeliness of the evaluations, the scope and extent of recommendations, as well as the follow-up mechanism, all involve critical decision points. Moreover, this evaluation process is conducted within the boundaries established by the terms of reference, the most significant of which are the three objectives of the IEO and the non-interference clause. Although not exhaustive, this framework structured our analysis. Balancing these trade-offs makes for an effective and efficient evaluation function. Figure 1 provides a schematic representation of this framework.
13. **The selection of topics needs to balance different priorities.** Evaluations can be thematic or country-specific, focusing on operational or strategic issues. Moreover, the diversity of the IMF’s membership means that some topics might be of interest to some constituencies but not others, either due to geographic, income levels, or other differences. The independence of the IEO director in choosing the topics is key to making a sound judgment. The ToR requires the IEO to conduct evaluations “based on criteria”, which in the context of topic selection suggests avoiding total discretion.
14. **The evaluation requires a definition of scope and methodologies, particularly on the depth or breadth of the issue's coverage, as well as gathering resources.** This also impinges on the choice of the skills and the composition of the team of evaluators, as well as the length and timeliness of the evaluation itself. Resources are scarce, and hence the IEO Director must make difficult calls in these different areas. Budgetary, but also human resource management is key, and several difficult trade-offs arise in the relationship with the IMF’s HR policy.
15. **The evaluation results in several recommendations**, which can be at different levels. Successful implementation requires precision in the specific recommendations, and the SMART criteria have usually been requested. On the other hand, the teams of experts that know best how implementation can be most efficient likely belong to the IMF Staff itself. A concise list of strategic recommendations will leave more space for the implementation plan designed by staff and Management to hone the details, while an extensive list of SMART recommendations puts the onus of implementation more on the IEO team.

16. **Successful implementation is, of course, crucial.** But implementation results from ownership of the process by Management and Staff, and assumes suitable costing, prioritization, and alignment with the spirit of the IEO recommendations. What role the IEO should play in this process is a matter of discussion, as it involves the interaction of the Board, which endorses recommendations, management that proposes an implementation plan, and a process of follow-up that needs to be carefully managed.
17. **The achievement of the IEO’s goals is linked to these four thematic trade-offs.** The Board's involvement at various stages relates to its oversight and governance of the institution. Successful implementation and constructive engagement throughout the evaluation are the mechanisms for institutional learning, and the transparency of the evaluation process should bolster external credibility. Moreover, according to the current IEO ToR, the evaluation work should not interfere with ongoing work.

Figure 1. Trade-offs and context of the IEO’s Evaluation Function



2. Main Takeaways from Past Evaluations of the IEO

18. **Our work is the fourth external evaluation of the IEO since it was established.** We found that several of the issues we raised had also been highlighted previously, and hence reviewing these previous evaluations was an important part of our own work. Moreover, the IEO itself has engaged in active self-assessment, particularly through the efforts of past Directors to reflect on the IEO challenges at the end of their tenure. This section summarizes both.

19. **The first external evaluation (Lissakers Report, 2006) found strong support for the IEO** among IMF member governments, Executive Directors, NGOs, and many staff members. Support was weakest among IMF management and department heads. The report emphasized the importance of the IEO's independence — actual and perceived — for its credibility and effectiveness. The evaluations conducted by the IEO were seen as high quality and as contributing to greater awareness and discussion of policy alternatives within the IMF. However, the panel noted a tendency to focus on process rather than substantive issues and recommended more focus on strategic, impactful questions.
20. **The panel concluded that while the IEO played a valuable role in promoting transparency and accountability within the IMF, improvements were needed to ensure its continued effectiveness and relevance,** particularly in supporting its independence and enhancing its impact through strategic evaluations and better outreach efforts. The report suggested that the IEO diversify its staff and include more external experts in evaluations. It also recommended a more systematic follow-up to its recommendations and greater Board engagement in this process. The evaluation criticized the IEO's outreach efforts as inadequate, particularly in engaging with governments and stakeholders outside the G7. It was recommended that outreach and dissemination activities be overhauled to improve public understanding of the IMF.
21. **The concrete challenges highlighted in the report included:**
- Ensuring the IEO's independence for its effectiveness and credibility. There are ongoing challenges related to employment rules and the potential for conflicts of interest that could affect the IEO's actual and perceived independence.
 - Enhancing impact through focusing on substantive and strategic issues rather than procedural ones. This involves choosing evaluation topics that have significant impacts on the IMF's policymaking and its role in the global financial system. By addressing more impactful questions, the IEO could enhance its relevance and the usefulness of its findings.
 - Attracting high-quality, diverse staff, and evaluators, including external experts. The challenge was to keep a good balance between insiders, who understand the IMF's culture and operations, and outsiders, who can provide fresh perspectives and critical insights.
 - The IEO had been criticized for insufficient outreach, especially outside the G7 countries. Improving engagement with a broader range of stakeholders and enhancing dissemination strategies were seen as essential for raising the profile of the IEO's work and ensuring that its evaluations lead to meaningful changes.
 - The IEO faced pressures that could lead to its bureaucratization and marginalization. Addressing these challenges involves supporting the agility and independence necessary to function effectively within a complex international organization like the IMF.
 - There was a need for a more systematic approach to tracking and implementing the recommendations made by the IEO. This involves greater engagement from the IMF's Executive Board and a structured follow-up mechanism to ensure that evaluations lead to actionable changes.
22. **The second external evaluation (Ocampo Report, 2013) considered that the IEO had performed its mandate well.** It pointed to opportunities to enhance impact through strategic topic selection, better follow-up mechanisms, and improved internal engagement. In terms of recommendations, the panel suggested improving the choice and prioritization of evaluation topics to ensure they were central to the IMF's mandate, and overhauling the process for

following up on the IEO's recommendations to ensure they are implemented effectively and to enhance accountability. The panel emphasized the need to ensure that the recommendations are not only endorsed by the Board but are also implemented in a way that leads to meaningful changes. This requires a better structured and less bureaucratic follow-up process with stronger ownership by the Board and greater involvement of the IEO in monitoring outcomes.

23. **The report underscored the IEO's role in fostering a culture of openness and learning at the IMF**, which helps the institution adapt and respond to global financial challenges more effectively but called for enhanced efforts to improve the IEO's visibility and interaction both within the IMF and with external stakeholders. The IEO has proven to enhance the learning culture within the IMF, support institutional governance and oversight, strengthen the Fund's external credibility, and promote greater understanding of the work of the Fund. Over time, the emphasis has shifted towards ensuring that the IEO's evaluations are central to the IMF's core mandate, suggesting a possible dropping of less critical mandates to focus more on core objectives. The evolution of the IEO reflects a continuous effort to enhance its effectiveness, relevance, and impact as a critical evaluative body within the IMF. The changes made aimed to ensure that the IEO remained a valuable tool for improving the IMF's transparency, accountability, and effectiveness in fulfilling its global financial stability mandate.
24. **The main challenges shown in the report included:**
 - Revamping the follow-up process for IEO recommendations. The process for following up on the IEO's recommendations was seen as critical yet flawed. Recommendations were often not implemented effectively or fully because the existing follow-up process lacked strong ownership by the Executive Board and involved potential conflicts of interest with IMF Management. Therefore, it was required to develop a new, streamlined process that enhanced the clarity, timeliness, and accountability of how recommendations are handled.
 - Increasing efforts to enhance the 'in-reach' of the IEO within the IMF, ensuring that its evaluations and insights were better integrated into the IMF's operational and policy framework.
 - Adjusting the scope and focus of evaluations to ensure that they were relevant and strategically focused. This involved not only selecting topics of high strategic importance but also ensuring that the evaluations led to actionable insights that could truly help the IMF.
25. **The third external evaluation (Kaberuka Report, 2017) occurred against the legacy and aftermath of the difficult Euro crisis.** The panel called for a "reboot" of commitment to the IEO's objectives by all involved — the Board, management, and the IEO itself — to fully use the benefits of independent evaluation and enhance the effectiveness of the IMF. The IEO was perceived as having limited impact despite the goodwill it enjoyed, this lack of traction was attributed to several factors including engagement with IMF staff and the effectiveness of its recommendations, and the perception that the evaluation process was becoming routine and bureaucratic.
26. **Initially, the impact of the IEO's evaluations on the IMF's operations was perceived as limited.** Over the years, concerted efforts aimed to improve the traction of the IEO's work within the broader organization. This involved not just producing evaluations but also ensuring that these were integrated into the ongoing work of the IMF through follow-ups and implementation of recommendations. Hence, the IEO faced the challenge of enhancing the

real-world impact of its evaluations. This required deepening its interactions with IMF staff and management and fostering a collaborative atmosphere where the IEO's insights were valued as contributions to the Fund's learning and accountability processes.

27. The main challenges identified in the report included:

- Ensuring that evaluations were prompt and relevant to the current challenges and operations of the IMF. This involves selecting topics that are crucial to the Fund's mandate and can influence policy and decision-making processes.
- Reports should be concise, clear, and actionable. There was a perceived need for the IEO to ensure its reports were accessible and engaging to its diverse audience, which included not just the experts but also policymakers and the public interested in the IMF's work.
- The IEO needed to find ways to hold the organization accountable for acting on its findings. Rather than large-scale changes, implementing recommendations incrementally might help overcome resistance by allowing adjustments to be made gradually and feedback to be incorporated effectively. Implementation and recommendations should be SMART (Specific, Measurable, Attainable, Relevant, Timely)
- The IEO helped set up stronger accountability mechanisms within the IMF. Through its evaluations, the IEO could highlight areas where management might not have fully followed Board directives or where staff performance could be improved. This information enables the Board to take corrective actions and to develop better policies for governance. This role is crucial, especially in a rapidly changing global economy, as it helps the Board guide the IMF's strategic direction, ensuring it stays relevant and effective.

28. As can be seen, several issues are recurrent, but some change is evident. The perception of independence of the IEO remains high. The development of accountability and follow-up mechanisms has improved since its inception. The interactions between the IEO, management, the Board and Staff remain lively, and the IEO has increased its outreach. On the other hand, the follow-up process embedded in the current PMR mechanism risks becoming "bureaucratized and marginalized", due to lack of strong strategic guidance from management in those instances. There is a relative lack of clarity on where the onus of the SMART criteria should lie even though the Kaberuka report also stressed the importance that implementation, and not only recommendations, should be SMART.

29. Other relevant sources for our work were the two books penned by former IEO Directors. "The International Monetary Fund and the Learning Organization: The Role of Independent Evaluation" (2017) co-authored by Moises Schwartz and Ray C. Rist, explored the dynamic relationship between the IEO and the IMF using the concept of organizational learning, and the pivotal role played by independent evaluation mechanisms. The book delved into the IMF's evolution, its challenges, and the mechanisms it employed to adapt and learn from its experiences. It highlighted the multifaceted challenges faced by the IMF in addressing economic crises, policy formulation, and program implementation within diverse socio-political contexts. Such an environment highlighted the significance of organizational learning for the IMF to adapt and improve its effectiveness in fulfilling its mandate. Independent evaluation mechanisms, such as the IEO, are crucial tools for greater effectiveness by assessing the IMF's policies, programs, and operations objectively.

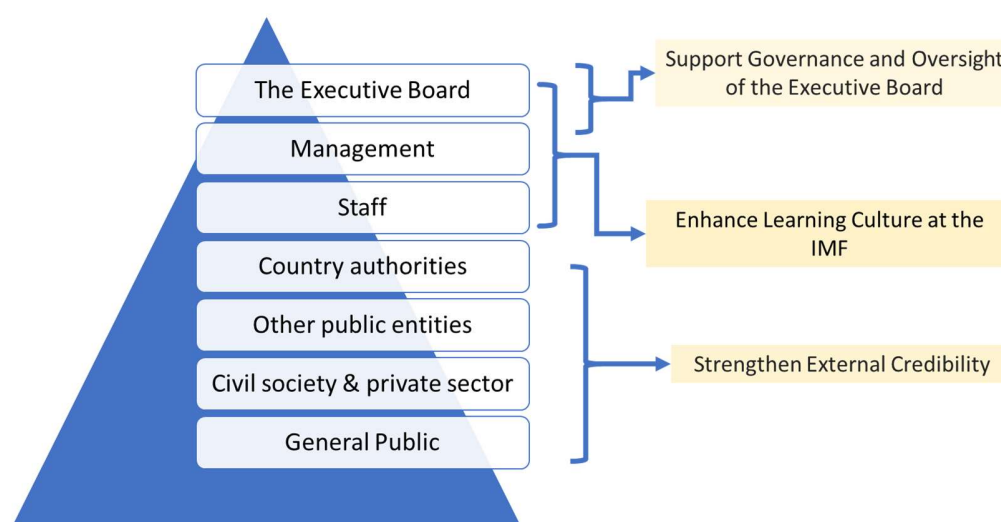
30. **Despite recognizing the value of learning from past experiences, the book acknowledged the multiple challenges the IMF faces** in effectively implementing lessons learned due to various internal and external factors. It called for greater stakeholder engagement and transparency in the evaluation process to further enhance the IMF's learning capacity and the role of the IEO in driving organizational reform and innovation.
31. **The "IEO at 20" by Charles Collyns and Prakash Loungani (2023) presents a comprehensive review of the IEO over its second decade of operation**, focusing on lessons learned and future directions. The IEO has significantly contributed to the IMF's learning culture, accountability, and transparency, which are essential for the institution's effective governance and credibility. For the authors, the impact of the IEO has been multifaceted, and it has been the most significant development of a learning culture within the IMF. Also, the IEO has strengthened the IMF's governance by providing the Executive Board with the independent analysis needed to exercise its oversight functions more effectively, and with greater transparency of IMF operations that enhance the organization's accountability to its members.
32. **Looking ahead, the authors see the IEO facing several challenges** as it continues to evaluate the effectiveness of the IMF's policies and operations. The main challenges in their view are:
- To adapt and update its toolbox to the evolving landscape as global economic conditions and financial systems evolve.
 - Balancing the IEO independence with the need for effective engagement with IMF staff and management to ensure that its findings and recommendations are considered and implemented effectively.
 - Enhancing impact by selecting evaluation topics that are prompt and of high priority to the IMF's membership and ensuring that its recommendations are actionable and lead to tangible improvements.
 - Continuing to improve how evaluation results are communicated to the public and stakeholders is vital for maintaining the transparency and accountability of the IMF. The IEO must find effective ways to disseminate its findings to ensure they are accessible and understandable to a broad audience.
 - Encouraging a culture of learning and adaptation based on evaluation findings within the IMF can be challenging, particularly when findings are critical. The IEO must work constructively with IMF departments to promote acceptance and implementation of its recommendations.
33. **As in the previous IEO external evaluations**, we can see recurring themes related to the balance between independence and engagement for effective implementation, proper priority for evaluation topics, external engagement, and traction within the IMF of IEO recommendations.

3. Findings and Recommendations on IEO's Objectives and Resources

Institutional Objectives

34. **The three institutional objectives contained in the IEO's ToR are interrelated.** One useful perspective is seeing them as both ends and means. That is, what each objective aims to achieve, the stakeholders most invested in the relevance of them, and the IEO's strategy to achieve them. That perspective allows us to see nuances and differences between the three objectives and their relative salience to stakeholders. Figure 2 displays the relationship between IEO mandates and related stakeholders in a schematic way, without prejudging the relative importance of each mandate.

Figure 2. The IEO mandates and related stakeholders



35. **The IEO is uniquely placed within the institution to provide independent and timely support to the Executive Board in its governance and oversight function.** Evaluations focusing on strategic or thematic topics are key for this role. Moreover, it is difficult to see what other entity can play this key role on a regular basis. Before 2000, the Executive Board did commission sporadic external evaluations. The creation of the IEO reflected the need to have a permanent process of internal evaluation, given the challenges the IMF and the world economy experienced at the turn of the century. No other entity can substitute for the IEO in giving independent advice to the Board to support its governance and oversight role.

36. **The IMF enhances its learning culture through drawing lessons,** presenting different perspectives, and exposing the institution to frontier knowledge. The interaction between recommendations, implementation, and follow-up in evaluations is an important mechanism to improve the learning culture. However, learning is a two-way process, requiring frequent engagement throughout the evaluation cycle. As such, improving the learning culture is not solely the responsibility of the IEO. The interaction with staff, management, and the Board is equally relevant. Although the IEO is a necessary partner in institutional learning, its unilateral contribution is far from being sufficient to achieve this objective.

- 37. The external credibility of the IMF relies on technical expertise, institutional integrity, accountability, and transparency.** The mere existence of an independent evaluation function is testimony to the importance the IMF gives to its external credibility. IEO evaluations support external credibility through different channels, but they are not the only evaluations. Strengthening the IMF's external credibility is a day-to-day job in Area and Functional departments, from providing research and statistics, to surveillance, and the regular policy reviews. The Institutional Safeguards Review published in 2022 is another example. As such, the IEO provides a critical point of view to strengthen the external credibility of the IMF, but it is not the only contributor.
- 38. In light of the above, we are of the view that the three objectives are not equally relevant to the Executive Board, nor is their ultimate achievement equally dependent on IEO's work.** Supporting the governance and oversight of the Board is a *primus inter pares* objective, stemming from the fact that the IEO is uniquely placed to provide it. The learning culture of the IMF does not depend solely, or even mainly, on the IEO, as it relies on fruitful engagement between the evaluators and staff, management, and the Board. Moreover, an institution that has a well-functioning governance and oversight, and fosters learning, will be credible to the outside world. We would not go so far as to recommend dropping the third objective, as the existence of an independent evaluator is a key ingredient for it, particularly when accompanied by prompt implementation of recommendations. But it appears to be less salient than supporting governance and oversight by the Board.
- 39. Our assessment is corroborated by surveys conducted at our request among IMF Management and members of the Executive Board and Staff as well as country officials and external stakeholders.** Most survey respondents among IMF staff members felt that the IEO's top priorities should be to enhance transparency and strengthen the IMF's external credibility (87 percent) followed by supporting institutional governance and oversight of the IMF's work (81 percent). The objectives of promoting greater understanding of the IMF's work (39 percent) and enhancing the learning culture within the IMF (46 percent) were reported respectively at the bottom of the list of top priorities. Among country representatives, over 90 percent indicated that the IEO achieved its objective of "supporting the IMF Board's institutional governance and oversight", while about 83 percent expressed a similar view with respect to the two other objectives of "strengthening the Fund's external credibility" and "enhancing the learning culture within the Fund". Views on how the IEO has achieved each of its objectives were less favorable among external stakeholders than country representatives. While 63 percent of external stakeholders indicated that the IEO achieved its objective of "strengthening the Fund's external credibility", less than half of them felt the same about IEO performance with respect to the objectives of "supporting the IMF Board's institutional governance and oversight" and "enhancing the learning culture within the Fund".

The non-interference clause

- 40. The non-interference clause is both a safeguard and a barrier.** It protects the operational independence of the IMF and ensures the institution speaks with one voice, particularly in sensitive negotiations with authorities. However, it can limit the IEO's ability to provide prompt feedback that could enhance the effectiveness of the IMF's work through prompt course correction. Earlier panels suggested a balancing act is necessary where the IEO should be able to perform its work so as to influence positive change without interfering in the

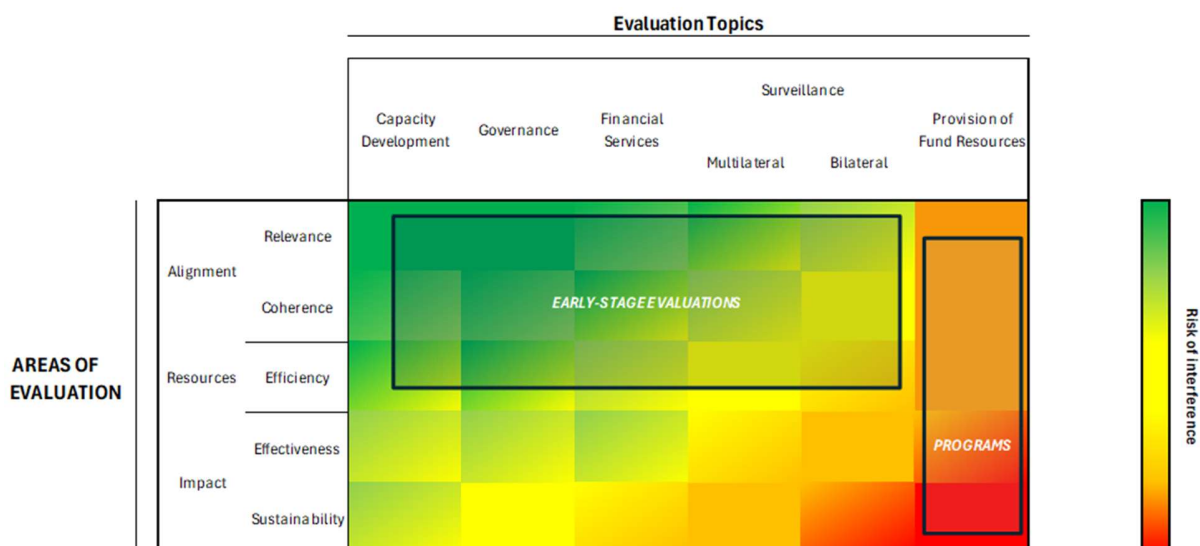
immediate decision-making processes. This requires a careful balance between transparency, timeliness, and non-interference in topic selection.

41. **The IEO's ToRs are not crystal-clear in their definition of operational activities, including current programs.** A recurrent topic in earlier external evaluations relates to the interpretation that the IEO “should avoid interfering with operational activities, including current programs”. The vagueness of this clause has often been seen in our interviews as a constraint to the IEO's ability to deliver prompt evaluations. The wording can lead to preventing or postponing an evaluation from being conducted, as an expansive interpretation could be made that “all IMF work is ongoing”, particularly in difficult country cases that, in theory, should be prime candidates for an evaluation. Overall, the terseness of the clause does not provide sufficient clarity about its boundaries.
42. **It is noteworthy that in other IFIs this type of constraint is mostly absent,** as the evaluation function is perceived as being a continuous process. The evaluation office at the World Bank or at regional development institutions must evaluate country strategies at every change of country administration. The World Bank's IEG is allowed to conduct so-called “real-time” and “just-in” evaluations, which provide the Board and management with early lessons and opportunities for course-correction. As such, programs at the level of design or in the middle of being implemented are assessed to identify design procedures, lessons, and findings. However, it needs to be considered that the evaluation function in those institutions has some key differences from the role played by the IEO, particularly the more strategic approach of the IEO, as well as the fact that it operates “at arm's length” from the Board and is independent of management.
43. **Operational activities and current programs are generic enough terms to encompass a broad variety of issues.** Many issues relevant to the IMF's mission and work would benefit from an evaluation by the IEO. Those issues may be current in that programs or activities addressing them are being conducted. In such cases, both the Board and management could benefit from having the IEO provide insights on the issues and processes and draw early lessons. This is a valid aspect for both supporting the governance and oversight of the Board and contributing to the learning culture at the IMF.
44. **Novel issues could warrant early-stage evaluations.** We have seen that some evaluations during the period under study reflect that, under certain circumstances, the IEO has indeed conducted this type of evaluation. For instance, the evaluation of The IMF's Emergency Response to the COVID-19 Pandemic was elaborated while the macroeconomic impact of the pandemic was still ongoing, and programs associated with it were being put in place. This reflects the fact that the Board benefits from receiving prompt advice on relevant ongoing topics.
45. **We believe that the non-interference clause provides sufficient flexibility for the IEO and the Board to conduct early-stage evaluations when warranted.** It should be noted that the Kaberuka report recommended that the Board “ensure(s) that the scope of operational activities, including current programs does not restrict the IEO from conducting useful evaluations of ongoing activities of the Fund”, which reflected the previous panel's concern that the ToRs might be excessively restrictive.

46. In that vein, we note that “ongoing operations, including programs”, encompass two different dimensions that should be addressed separately. The first dimension relates to the fact that the IMF engages in three key functions to fulfill its purpose as stated in the Articles: surveillance of the international monetary system and of members' economic and financial policies, and provision of resources, technical assistance and financial services to member countries in need. The second dimension is that there are distinct areas which can be evaluated once a topic has been selected. For instance, the OECD specifies six evaluation criteria: relevance, coherence, effectiveness, efficiency, impact and sustainability. In the case of the IMF, we propose that a useful summary consists of three criteria: alignment with the institutional mandate, having the right scope and resources for implementation, and impact/sustainability.

47. This framing of the evaluation areas and guidelines helps define criteria for the IEO and the Board to gauge whether the non-interference clause applies. Figure 3 presents a diagrammatic example of the relative sensitivity of evaluating ongoing operations and evaluation areas, through a heat map qualitative metric. Red areas are more sensitive than green areas. Also shown are representations of programs (implicitly assuming they involve the provision of IMF resources) and what has been termed “early-stage evaluations”. This taxonomy is but one example, and more detailed work would need to be done to develop it in appropriate detail. At one extreme, the spirit of the non-interference clause is put sharply into focus in the case of an evaluation of the impact of ongoing operations that involve country programs. An evaluation in those circumstances would clearly hinder the work of the Board and management in engaging with authorities during sensitive confidential negotiations. At the other extreme, evaluating the relevance and coherence of, for instance, a new capacity development initiative that has not been fully completed, could fall within the purview of the IEO, if needed, to provide useful insights to the Board and Management.

Figure 3. Sensitivity Heat Map of Ongoing Operations



48. **Over its more than two decades of existence, the IEO has undoubtedly gained a reputation as a capable and independent evaluator.** The IEO has its own budget and staff and is free to choose its evaluation topics and methodologies. The general perception is that the IEO conducts evaluations independently from staff and management, and at arm’s length from the Board. About 60 percent of respondents among IMF staff consider the IEO to be at least independent, with an additional 33 percent viewing the IEO as being somewhat independent (Annex 1, chart 1.2). Staff’s broadly positive perceptions about IEO independence have not markedly changed since the last external evaluation.² The IEO is broadly perceived as more independent than other IFI evaluators. Most notably, the IEO’s topic choice is not formally endorsed by the IMF Board.

49. **Following on the above, the IEO should consider undertaking early-stage evaluations, for timely course correction. This is essential for achieving the stated objectives of supporting oversight and governance by the Board, as well as fostering learning and supporting external credibility of the Fund’s work. The recent example of the Evaluation on the Emergency Response to the Covid Crisis provides a good blueprint on the utility of early-stage evaluations, without interfering with ongoing programs. (Recommendation #1)**

Resources and staffing

50. **As previous external evaluations, we consider the IEO to be adequately resourced from a budgetary point of view.** This view is also shared broadly across the interviewees. The IEO has three teams capable of working on three topics each year, allowing for two evaluations each year. Notwithstanding this, we see that the evolving mandate of the IMF, has resulted in heightened budgetary demands, both for the institution and the IEO. The Board should carefully assess these demands, and in consultation with the IEO, determine if a budgetary increase, like the one applied to the IMF and to the Board, is appropriate for the IEO. Proper budgeting of IEO demands on staff in the process of conducting evaluations need to be considered.

51. **On the other hand, certain rigidities are apparent in the current IEO HR policy.** The IEO is a small office, and therefore it makes sense that it should follow IMF policies on staffing and that the HR department should provide the relevant services to the IEO. However, its small size compared to the IMF Staff implies that certain policies that can be easily accommodated flexibly within large IMF Departments can be harder to implement at the IEO. Whereas large departments can accommodate small deviations from the norm by reallocating duties within the office, the IEO has a much more limited ability to do so. Two examples are term limits for IEO employees and the contractual/permanent staff composition of employees. As such, we strongly recommend that the IEO Director be given significant leeway to work, always within the budgetary envelope, in choosing the right mix for the contractual/permanent staff composition. The risks of this approach are limited, mainly because the IEO has no open-ended positions, and each permanent staff member is on a two-to-three-year contract. The twelve-year term limit for permanent staff can likewise be eliminated, acknowledging that in practice the IEO does not hire under open-ended contracts.

² But it is noteworthy that while the proportion of staff members who have the most favorable view of IEO independence—that is either “Independent” or “Very independent”—remains large, at about 60 percent in 2023, it has significantly decreased by about 20 percentage points compared to 2017.

52. **Previous external evaluations have noted that the IEO should be attractive as a post for learning and advancing in a career at the IMF.** Based on survey-based evidence, this does not seem to be the case. Only 10 percent of surveyed IMF staff members agreed that IEO experience would facilitate their career development, and less than 40 percent were ready to consider working for the IEO, a proportion that has remained noticeably flat since 2012. In contrast to previous external panels, we take a more nuanced view on this matter, as the IEO should balance being an attractive career step within the IMF with also being an interesting alternative for the growing community of expert evaluators in the IFI space. In both cases, the existence of a cooling-off period for former B-level IMF staff members, or as external hires at the B-level within the IEO, makes little sense to us. Their application for Staff positions in the IMF would in any case have to go through the regular recruitment process, which is a significant hurdle.

53. **There is room for improvement in the HR policy at the IEO. A broader look at this issue is warranted, to relax these rigidities and achieve a better balance between objectives that at times appear contradictory. The IEO should undertake a process of consultation to propose to the Board such a review in the HR policy, following the principle that the IEO Director's be given significant leeway, always within the budgetary envelope, in choosing the right mix for the contractual/permanent staff composition. Within the IMF, proper budgeting of Staff work as evaluations are being conducted should be considered. (Recommendation #2)**

4. Findings and Recommendations on the Evaluation Process

54. **The evaluation process, from topic selection to successful implementation, is at the core of the IEO's work.** In this section, we propose a set of recommendations that aim to improve the transparency of the process as well as the accountability of all participants, including management, staff and the Board.

Towards a more structured topic selection process.

55. **There is a consensus among interviewees that the topics selected from 2018-2023 have been appropriate and relevant.** Over 90 percent of country representatives and about 80 percent of external stakeholders felt that the selection of IEO evaluation topics was appropriate during the period covered by our evaluation. About 61 percent of respondents among IMF staff rated IEO reports as being either good or very good in terms of topic selection. The third panel showed that while the IEO had started to focus more on policy and culture rather than just processes (a critique raised by earlier IEO evaluations), there was still a need for a stronger focus on substantive issues. We see this trend and recognize that the IEO is more attuned to the strategic focus and the IEO core mandate.

56. **The topic selection process involves significant engagement but is, at its core, loose and unstructured.** Through bilateral discussions, engagement with management, staff, country

authorities, and others, the IEO compiles a set of topics that are then discussed in informal seminars. Once this process is completed, the IEO Director selects the evaluation topics and informs the IMF Board and management. Over 80 percent of respondents among IMF staff considered management and the SPR to be at least somewhat influential in IEO's selection of evaluation topics. The selection process was also deemed by about 75 percent of respondents to be shaped by external public pressures and the IMF Executive Board. Both borrowing and non-borrowing members were also perceived as exerting some influence on the topic selection process, although this perception was more prevalent among respondents when it came to the non-borrowing members. For a recognizably process-oriented institution like the IMF, the looseness of the topic selection process struck the panel from the beginning. For instance, there are no written records on the debates or exchanges that led to the list of topics, or to the justification for why specific topics were selected or rejected.

57. Independence does not imply full discretion, because the IEO is accountable to its ToRs.

In particular, the ToRs say that the IEO should “systematically conduct objective and independent evaluations on issues, *and on the basis of criteria*, of relevance to the mandate of the Fund” (*our emphasis*). Following this indication, we believe the IEO should explicitly spell out the criteria for topic choice within an Evaluation Policy and Strategy document. There are various potential dimensions to these criteria, spanning from providing evaluations as inputs on IMF policy reviews, to tackling issues of concern to different constituencies within the membership, to looking at internal work processes within the Fund, among many others. This document could be updated once every five years, for instance within the first year of tenure of each new incoming IEO Director, thus allowing the new Director the opportunity to offer their own strategic guidance to the office and identify its main priorities.

58. We see significant scope for improving the accountability of the topic selection process.

Given the hard budget constraint the IEO faces, it has capacity for only a few evaluations at any point in time. This highlights the critical nature of new topics selected. The current update of the work program is exceedingly terse, providing little background on the rationale for each new topic selected (see for instance <https://ieo.imf.org/en/our-work/work-program>). The existence of criteria for evaluations, as recommended above, naturally lends itself to the IEO Director providing a fuller explanation of how the decision on topic choice was made.

59. Stating criteria and providing ex-post justification of topic selection does not require changing the open and flexible process of discussion.

This feature of the process is greatly appreciated in interviews and should be kept. Greater accountability would not impinge on independence. Enhancing transparency and accountability would increase the legitimacy and independence of the IEO. Examples of criteria are the balance between strategic and country themes, the role of incoming Policy Reviews where the IEO evaluations can provide useful inputs, the adequate balance of concerns from different stakeholders, and the risk criticality of certain topics derived from the application of Enterprise Risk Management tools. These are only examples, and the IEO Directors should exercise their independence in framing these criteria appropriately, including the necessary flexibility to change tack or topics if needed.

60. Other avenues for increasing transparency are worthy of consideration.

The Board can be explicitly surveyed to garner quantitative views on the perception of relevance of different potential topics. Management can also be tasked with explicitly suggesting issues of interest that it feels merit evaluation to improve the Fund's work. The independence of the IEO Director

would not be affected by these initiatives, and in fact increased transparency can dispel potential concerns about influence in the topic selection process.

61. The process for topic selection can be significantly enhanced by implementing a more structured and transparent strategy. The IEO Director should explicitly spell out the criteria for topic choices and methodologies within an Evaluation Policy and Strategy document early in the tenure. As part of this process, we see merit in Management suggesting issues where an IEO evaluation could be useful. The dissemination of criteria for topic and methodology selection will enhance understanding and trust in the IEO's work, as well as improve clarity and accountability. (Recommendation #3)

Improving the quality, prioritization and ownership of recommendations.

- 62. Most surveyed IMF staff members indicated that IEO recommendations were taken seriously** by the IMF Executive Board, management, and their department head. However, there were mixed views on the effectiveness of IMF management in implementing IEO recommendations, with over 30 percent of respondents providing negative assessments. Both the quality of recommendations and the implementation of recommendations by management were two areas that could be improved the most according to survey respondents. On balance, more staff members felt that IEO recommendations were SMART, but only about one-third of them would agree with this statement.
- 63. The first and second external panels highlighted issues with the implementation of IEO recommendations.** The process for follow-up was criticized for being too bureaucratic, and there was a perceived need for the IEO to periodically evaluate the follow-up and implementation of its recommendations to ensure they were effective. The third evaluation noted that while some areas of concern from earlier reports had been addressed, the overall process remained overly bureaucratic, and warned that the lack of ownership by the Board was the key issue at that time. We think this critique remains valid, particularly regarding the need for stronger Board and staff ownership and fewer bureaucratic follow-up processes. This is corroborated by our IMF staff survey evidence, with over 60 percent of respondents stating that the IEO should improve staff buy-in of its recommendations.
- 64. Previous evaluations point to a recurring theme of implementation and follow-up being often insufficient.** All panels suggest that the processes for following up on recommendations are too bureaucratic and need streamlining to ensure effective implementation. Important progress has been made in this area, but we still see room for improvement. Enhancing the effectiveness of the IEO's recommendations requires a multifaceted approach, involving strategic planning, engaged oversight, and a supportive organizational culture. The key aspects to consider, based on earlier panels but still pertinent, are:
- a. **Relevance and Utility of Recommendations:** For recommendations to be effectively implemented, they must be seen as both relevant and useful by all stakeholders involved. This requires the IEO to ensure that its evaluations and recommendations are well-evidenced and directly applicable to the operations of the IMF, necessitating

- regular interactions and consultations with IMF staff throughout the evaluation process. The IEO should be clearer about the prioritization of different recommendations when the evaluations are presented.
- b. **Management and Staff Engagement:** Effective implementation often hinges on how engaged and committed the IMF management and staff are to the IEO's findings. There is a noted discrepancy between management's verbal support for the IEO's work and the actual priority given to implementing its recommendations by the staff. Increased engagement could improve the uptake of recommendations. Budgetary implications oftentimes affect implementation capacity at the departmental level.
 - c. **Follow-Up and Accountability:** There is a need for a systematic approach to follow-up on recommendations, with the IEO, management, and the Board playing active roles. The Board should not only endorse recommendations but also hold management accountable for prompt and effective implementation, possibly involving formal discussions of Periodic Monitoring Reports during Board meetings to ensure transparency and accountability. According to most staff survey respondents, there is room for the IEO to be involved in monitoring follow-up of Board-endorsed recommendations, and many saw scope for the IEO to do more than less in this area.

65. **The core products of the IEO are and should continue to be evaluation reports.** The IEO has increasingly focused on strategic and thematic evaluations, but there is a range of different products within the evaluation category. Specifically, the IEO delivers full-scale evaluations, short evaluations and evaluation updates. Additionally, the IEO publishes its Annual Work Program (and the associated discussion at the Board), a list of possible topics for consideration going forward, an Annual Report, and a progress report to the IMFC on the work program. Table 1 lists the work the IEO produces, with some salient characteristics.

Table 1. IEO Core Products

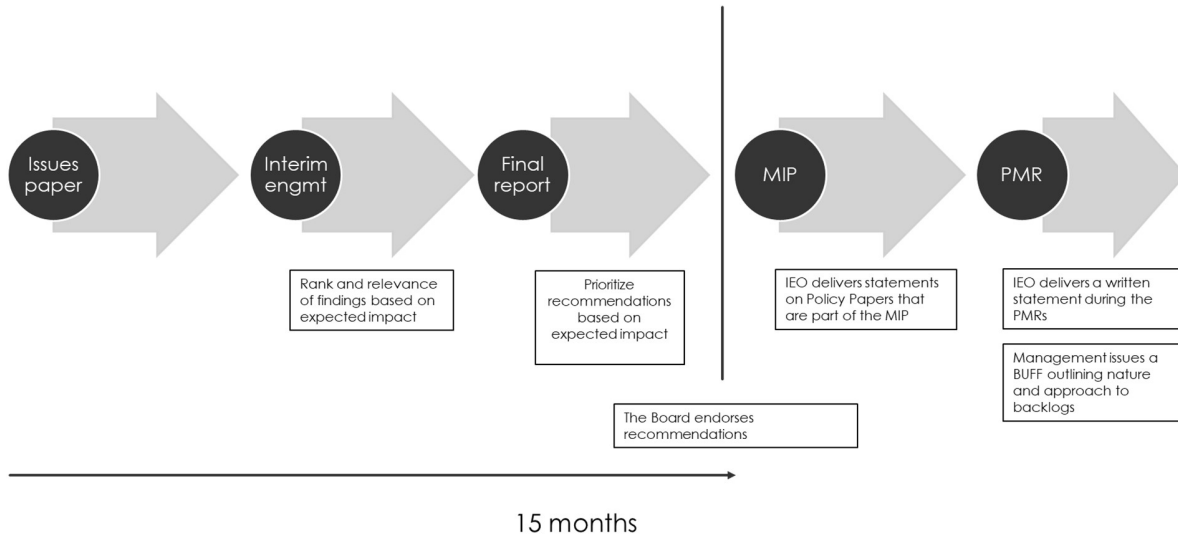
| Publication | Date/duration | Content |
|--|--|---|
| Annual Work Program | Early November | |
| Possible topics for future evaluations | Late November | |
| Full Scale Evaluation | 18-24 months | Findings, lessons, and recommendations |
| Short Evaluation | 9-12 months | Findings, lessons, and recommendations |
| Updates of previous evaluations | 9-12 months | Findings and lessons |
| Annual Report | August/September Since 2019 | |
| Progress report to the IMFC on the activities of the IEO | IMFC meetings (twice a year) Since 2021 | Reports on IEO work. No report on the implementation of its recommendations |

- 66. We propose simplifying the product line to short and full-length evaluations, including more frequent interaction between the IEO and the EVC.** The “shorter evaluation” format was laid out in “Selection of IEO Evaluation Topics and IEO Product Mix” (IEO, 2019a). To date, one such shorter evaluation has been completed, on IMF Collaboration with the World Bank on Macro-Structural Issues (IEO, 2020b), and such evaluations should be complemented within 15 months.
- 67. There is a broad consensus that the evaluations are too lengthy, are hard to digest completely by the reader, and take too long to complete.** In the context of a rapidly changing environment, recommendations risk losing impact and relevance if they are endorsed more than two years after the evaluation started. We strongly recommend that full evaluations should normally be completed within 18 months. Several avenues can be considered to shorten the process. Firstly, even though there is a significant, but not widespread, view of the utility of the background papers that support the evaluations, they should not, at the discretion of the IEO Director, be formally part of the evaluation itself. Instead, they can be posted on the IEO website for reference by interested parties. Transparency concerns can be alleviated by delaying the publication of the background material until sometime after the evaluation itself is published. Secondly, the evaluation review process by departments can be tightened if the number of recommendations is limited to six or fewer.
- 68. Full-scale evaluations should be completed within 18 months.** Given the current staffing of the IEO and the stated objective of completing two evaluations per year, 18 months should be a sufficient period. Delays in this respect should be quantified and explained by the IEO Director on a timely basis. The three months in addition to the short evaluations should be focused on structured interaction between the IEO, management and staff, particularly on the risk mitigation that recommendations aim to achieve. Higher degrees of precision on the costing of potential recommendations that the Board has prioritized should be achieved through the interim engagement. This structured interaction would contribute to the learning process in the institution by setting up regular exchange of views between the evaluator and evaluated areas, while keeping a clear distinction between each other's roles and responsibilities. As such, it should not have a harmful effect on the independence of the IEO, which has the last word on the recommendations proposed for the final evaluation report. Moreover, more precision in the costing would help the Board in its endorsement process, by putting more information on the table at that stage. Figure 4 presents a simplified version of our proposed short and full-scale evaluation workflows.

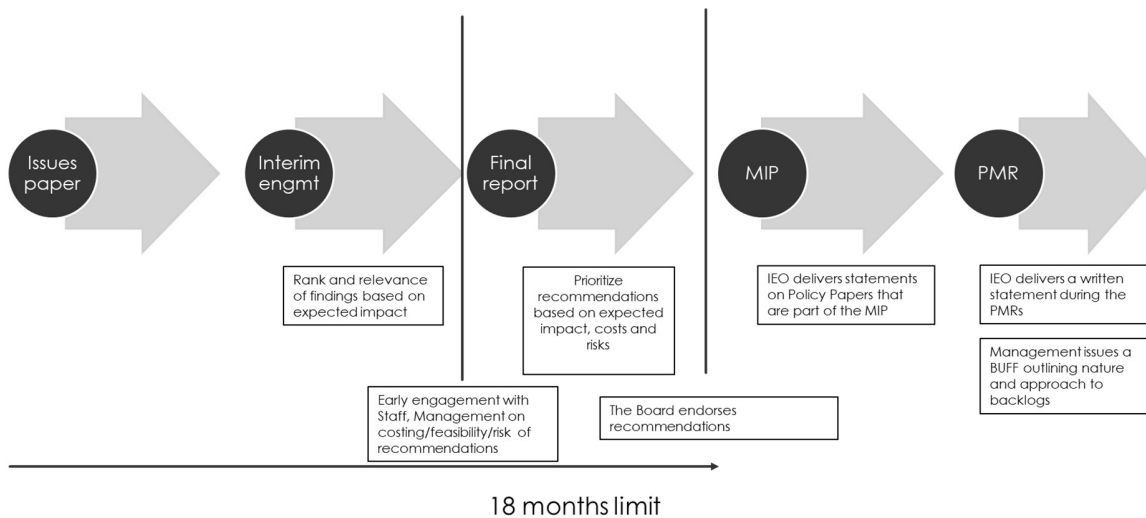
69. Following from the above, discussion, in addition to simplifying the product line to short and full-scale evaluations, we recommend that the IEO remain focused in completing full-scale evaluations within 18 months, to support timeliness and relevance. Shorter evaluations should also be considered, along with a limited number of recommendations, to reflect priorities without excessive delay. Prioritization could be enhanced by an interim and informal engagement process between the IEO, staff, and management focused on preliminary findings before drafting recommendations. Stronger ownership of IEO recommendations could be facilitated by more active engagement by the IEO with Management and staff, without affecting the independence of the evaluation office in this process. (Recommendation #4)

Figure 4. Evaluation Workflows

(a) Short evaluation workflow



(b) Full-scale evaluation workflow



70. **Traction of IEO work and progress in implementation of recommendations.** The implementation process and follow-up have room for improvement. Once the recommendations are endorsed by the Board and the MIP is presented, the specific recommendations enter the work plan of each department becoming part of the Accountability Framework. We suggest that a clearer distinction be made between the actual implementation of IEO recommendations and other work streams within the Accountability Framework.

71. **The risk of a backlog of recommendations can arise from a combination of factors.** The Board may overestimate the benefits of each individual recommendation, when endorsing

them. The costs of implementing them can be underestimated by the Board, and by management as well when drafting its MIP, and there can be lack of ownership in ex-post implementation. We propose a set of initiatives that can hopefully help limit the risk of backlogs. We consider that they need to be made “explicit” to better check their implementation and impact. As such, Management Implementation Plans will benefit from using the SMART criteria and making the specific recommendations visible throughout the complete process.

72. **Within the evaluation community, there is a broad consensus that “evaluators are not experts, because expertise lies within Staff”.** Moreover, the IEO differs from other independent evaluators because of its high degree of independence and strong focus on strategic themes. Subsequently, the application of the SMART criteria to IEO recommendations appears somewhat out of focus. IEO recommendations should keep a strategic focus, while implementation plans should apply the SMART criteria. A constructive engagement between evaluators and experts (the IEO and the Staff) would ensure that SMART implementation plans are aligned with the spirit of the strategic recommendations, and accurately assess the risks of non-implementation. SMART criteria should apply to the Management Implementation Plan, and the IEO should have a say on whether the SMART MIP follows the spirit of the strategic recommendations.
73. **There is room for improvement in the follow-up process.** Management is accountable for implementing Board-endorsed recommendations. Lack of ownership by management is a risk that can lead to the emergence of a backlog of recommendations. As such, we think a mechanism needs to be put in place to make the progress or lack thereof in the implementation plans from management visible. The OIA provides key inputs to assess progress, but management is accountable and should both take stock and explain to the Board the reasons for delays and propose corrections going forward. Hence, we recommend that management issue a statement for the PMR meetings, laying out the reasons for any lack of progress in implementation, the strategies for managing/resolving the issues, and the path forward.
74. **The implementation of IEO recommendations requires more visibility.** A previous external evaluation suggested that the Managing Director report to the IMFC on pending recommendations, but this was not endorsed by the Board. As ministers are not likely to be familiar with the day-to-day IEO work, a more effective mechanism for transparent accountability of the progress of implementation can be a reference in the GPA, based on the Buff statement during the PMRs, and an inclusion in the Board’s Work Program. The IMF’s website should link, where appropriate, to IEO evaluations, and implementation of IEO recommendations should be clearly identified within the Departmental Accountability Framework.

75. To enhance the ownership in implementation and improve the follow-up process, SMART criteria should also explicitly apply to implementation plans. The IEO should have a voice on whether implementation plans, both in general and in specific follow-up actions, remain aligned with the recommendations endorsed by the Board. The accountability of implementation plans would be enhanced by management issuing brief BUFF statements ahead of discussions of periodic monitoring reviews and including a short reference to the pace of implementation within the GPA. (Recommendation #5)

- 76. The Board needs to have more frequent and ongoing interactions with the IEO.** Currently, for each report the IEO delivers an Issues Paper (a preliminary report laying out the IEO's view on how to pursue a topic), and the EVC needs to formally engage at this stage by providing feedback and supporting the IEO. In addition, the process would benefit from a the interim engagement previously mentioned presented to the EVC no later than one year after a full-scale evaluation is initiated. These two steps will engage the EVC and other Executive Directors who have a particular interest in the topic under evaluation. More frequent interaction with the Board on the specific topics under evaluation will result in greater engagement from the Board, a sense of the relative importance of the expected benefits and potential costs, and an IEO that is more visibly involved. For both types of evaluations, we propose the creation of an Interim Findings Report for the EVC, focused mainly on findings, to garner feedback on prioritization of the areas that require special focus for recommendations. This Interim Report should be a nimble instrument so as not to overburden the institution, and thus should not require formal Board discussions. The concept of engagement can encompass tailored bilateral or group between the IEO and Directors. The increased interaction between the IEO and the Board should also apply during the follow-up of recommendations.
- 77. Effective interaction between the IEO, management and the Board should involve participation by the IEO,** including statements by the IEO Director when warranted, at Board meetings where the MIP is discussed, where policy papers are presented that are related to implementation of IEO recommendations, and at PMR meetings.
- 78. Previous external evaluations reported tensions** in the relationship between staff and management and the IEO, and even reluctance to collaborate in providing information. During our period under analysis this has not been raised as an issue. We note that, on the one hand, adequate traction sometimes entails a certain degree of tension, but too little or too much would detract from it. The right balance is probably hard to codify. On the other hand, a recurring theme from surveys and interviews highlighted the large workload demands that the staff are experiencing, not only from IEO recommendations but from the overall work process at the Fund. Our survey reported a drop from 41% to 29% of respondents being asked to provide information to the IEO, but 21% (up from 17% in 2017) consider the IEO information requests "unduly burdensome" and 10% (up from 5% in 2017) consider them "excessively intrusive". (Annex 1, 1.6). About two-thirds of respondents reported having been consulted at least once on IEO evaluations. The most frequent ways in which respondents contributed to IEO evaluations included responding to surveys, participating in interviews, providing data and/or documents, and reading or commenting on IEO drafts.
- 79. Engagement and outreach with external stakeholders.** We interviewed several country authorities (monetary and fiscal), think tanks and economists, and other stakeholders. For those who follow the IMF's work, the IEO is an asset. They value the IEO workshops and seminars and consider them to be well-grounded and detailed. Those from the media and government offices would prefer shorter and sharper reports. Those from academia and think tanks appreciate the richness and soundness of background papers. In general, the IEO is known and recognized as a key feature of the IMF. Our survey of external stakeholders found that 74% were in favor of more outreach from the IEO. (Annex 3, 3.11). Over two-third of country representatives and about 75 percent of external stakeholders indicated that the IEO should do

more outreach to member countries and external stakeholders. Many suggested that the most appropriate timing for IEO outreach to member countries was during the process of selecting topics, presenting the final report, and implementing recommendations. Only 20 percent of external stakeholders acknowledged very often having interacted directly with the IEO in outreach activities during the past two years.

80. **Country officials and external stakeholders acknowledged being familiar with the IEO's work.** Our surveys indicate that 75 percent of country representatives and 94 percent of external stakeholders were either fairly or very familiar with the IEO. During the period covered by the external panel evaluation, the IEO report that was most read or consulted by IMF staff members and country representatives was "The IMF's Emergency Response to the COVID-19 Pandemic", with about 60 percent of survey respondents among IMF staff having read or consulted it. In contrast, IEO updates appeared to have less traction. Except for the IEO evaluation update on the Governance of the IMF, no report issued by the IEO since 2017 was read or consulted by more than one-third of external stakeholders that responded to our surveys.

Other strategic areas of interest

81. **The collaboration between the IEO and other international financial institutions, particularly the World Bank's Independent Evaluation Group (IEG), has both potential and limitations.** Cross-cutting emerging themes across IFIs (climate, digitalization, inequality for instance, that have led to the evolving Fund's mandate), raise the question of how best to evaluate institutional performance in these areas. A useful distinction is between joint and simultaneous evaluations. Topics that could be evaluated jointly need to have reached a relevant level of maturity within each institution, for instance by having a clear division of labor, as each IFI has differing institutional mandates and procedures which can limit the depth and effectiveness of such collaborations.
82. **A structured approach to collaboration, based on practical support and information sharing could be a quick win.** Such collaboration can lead to simultaneous evaluations, through the sharing of best practices, methodologies, and insights, improving the quality of evaluations but also ensuring some consistency in addressing global challenges. Recommendations from earlier panel reviews include formalizing the collaboration through regular meetings, shared workshops, and joint research projects. The IEO is part of a group centered around the OECD's Evalnet and the Evaluation Cooperation Group where evaluation offices from the IFIs, donors and countries exchange views and coordinate work. The COVID-19 response report delivered during 2023 was part of a simultaneous effort around this group. In 2020 a report was published by the IEO on joint evaluations with the World Bank. Such coordination is positive and will result in better recommendations,
83. **A recent report by the Bretton-Woods Committee suggests that the IMF and the World Bank could put in place a permanent mechanism** tasked with conducting a systematic review of the progress of global financing and implementation plans and located within their

independent evaluation offices.³ Our view is that joint evaluations (in contrast with simultaneous ones) can make sense for specific topics that have reached a relevant degree of maturity within each institution. The case for joint evaluations on other topics is less clear-cut, and hence we refrain from recommending the design of new bureaucratic processes involving the IEO and its counterparts. In the spirit of fostering collaboration, we see merit in the EVC chair and the IEO Director to engage proactively with their respective counterparts in relevant multilateral organizations to explore how best to facilitate the conduct of simultaneous work on global issues of shared responsibilities, including climate change.

84. There is scope for simultaneous work on common themes between the IEO and other IFI evaluators, particularly the World Bank's Independent Evaluation Group (IEG). While simultaneous evaluations and a collaborative approach to information and sharing of methodologies present many advantages, joint evaluations should only be considered for topics that have reached a high degree of maturity in each institution. The differing institutional mandates and procedures, both at the IFIs and their evaluation offices, implies significant complexities in devising joint evaluation work in other areas. (Recommendation #6)

³ The Bretton Woods Committee (April 2024), *Strengthening the Bretton-Woods Institutions to Meet 21st-Century Global Challenges*.

Conclusions

85. **This fourth external evaluation of the IEO, like previous review panels, underscores the pivotal role of the IEO** in bolstering the governance, oversight, and transparency of the IMF. After more than two decades of sound work and three external evaluations, the IEO is a key part of the institution. Its independent assessments are crucial for enhancing the effectiveness of the Fund's policies and operations, fostering a culture of accountability, and promoting learning within the institution.
86. **The IEO's sustained independence and methodological rigor ensure the credibility of its evaluations.** The IEO's engagements with diverse stakeholders, including IMF staff, Executive Directors, and external entities, enrich the evaluation process, making it comprehensive and relevant. These interactions also facilitate a broad-based understanding of the IEO's contributions, reinforcing its significance as an independent evaluator within the global financial landscape.
87. **Several key factors underpin the IEO's effectiveness and need to be sustained.** First, the IEO maintains strict autonomy from IMF management and staff and works at arm's length from the Executive Board. This ensures unbiased evaluations, providing objective and reliable assessments vital for informed decision-making. Second, the IEO's expertise is critical. Comprising seasoned professionals from both within and outside the IMF, the IEO leverages a rich mix of institutional knowledge and fresh insights, enhancing the quality and relevance of its evaluations. Third, by promoting a culture of transparency, the IEO builds stakeholder trust and holds the IMF accountable to its global membership, academia, and the public. Fourth, the IEO's evaluation framework employs diverse methodologies, enabling thorough and sound analyses. This rigor ensures that findings and recommendations are well-supported and actionable. By engaging a broad spectrum of stakeholders, from IMF staff to government officials to international academics, the IEO ensures its evaluations are comprehensive and address varied perspectives, enhancing the applicability and impact of its recommendations.
88. **However, the IEO, and the evaluation function, face ongoing challenges.** The IEO continually navigates the delicate balance between independence and discretion, striving to optimize resource use while delivering timely and effective evaluations. Decisions regarding topic selection, report length, and recommendations require careful consideration to address the varied needs of stakeholders without compromising evaluation integrity. Ongoing interaction with the Executive Board, IMF management, staff, and external stakeholders is crucial for maintaining trust and fostering collaboration. Enhancing the IEO's impact involves more dynamic interactions with the Board, clarifying roles in feedback loops, and refining follow-up processes to ensure robust accountability. Effective implementation of Board-endorsed recommendations, aligned with SMART criteria in Management Implementation Plans, is vital for realizing the full value of IEO evaluations. The IEO must maintain its commitment to continuous evaluation, adaptation, and collaboration to effectively meet the IMF's evolving needs and respond to new global challenges.
89. **Our recommendations aim to support the IEO and the IMF in confronting these challenges.** The rules-based international financial architecture has served the world well since 1945, faces evident tensions derived from the risks of geoeconomic fragmentation. Transparent

accountability by international financial organizations, such as the IMF, is key to maintaining legitimacy. The IEO's evaluation function will continue to provide a critical instrument for continuous learning and improvement within the IMF, thereby contributing to the effective governance and oversight of the institution.

Appendix A: List of IEO evaluations and updates under the reviewed period

Evaluations:

- The IMF and Social Protection (2017)
- The IMF and Fragile States (2018)
- IMF Financial Surveillance (2019)
- IMF Advice on Unconventional Monetary Policies (2019)
- IMF Advice on Capital Flows (2020)
- Working with Partners: IMF Collaboration with the World Bank on Macro-Structural Issues (2020)
- Growth and Adjustment in IMF-Supported Programs (2021)
- IMF Engagement with Small Developing States (2022)
- The IMF and Capacity Development (2022)
- The IMF's Emergency Response to the COVID-19 Pandemic (2023)

Updates:

- Multilateral Surveillance: Revisiting the 2006 IEO Evaluation (2017)
- IMF Exchange Rate Policy Advice – Evaluation Update (2017)
- Structural Conditionality in IMF-Supported Programs – Evaluation Update (2018)
- Governance of the IMF – Evaluation Update (2018)
- IMF Involvement in International Trade Policy Issues - Evaluation Update (2019)

Appendix B: List of interviewees

Below is the list of interviewees and interviews conducted between October 2023 and May 2024. For simplicity, not all repeated interviews are listed, and not all attendees at the meetings are listed. When some interviewees could be included in multiple categories, judgment was applied. Also, in several cases the interviewees participated as a group.

IMF Executive Board Offices

| | |
|-----------------------------------|---------------------------------------|
| Federico Giammusso | Executive Director, Italy |
| Philip John Jennings | Executive Director, Canada, EVC Chair |
| Joerg Stephan | Executive Director, Germany |
| Alfonso Humberto Guerra de Luna | Executive Director, Mexico |
| Elizabeth Shortino | Executive Director, United States |
| Veda Poon | Executive Director, United Kingdom |
| Yati Kurniati | Executive Director, Indonesia |
| Luis Oscar Herrera | Former Executive Director, Chile |
| Abdullah Fahad M Binzarah | Executive Director, Saudi Arabia |
| Zhengxin Zhang | Executive Director, China |
| Willie Nakunyada | Executive Director, Zimbabwe |
| Marcel Peter | Executive Director, Switzerland |
| Arnaud Fernand Buisse | Executive Director, France |
| Facinet Sylla | Executive Director, Guinea |
| Mohammed El Qorchi | Alternate Executive Director, Morocco |
| Mahmoud Mohieldin | Executive Director, Egypt |
| Luc Dresse | Alt Executive Director, Belgium |
| Aleksei V. Mozhin | Executive Director, Russia |
| Krishnamurthy Venkata Subramanian | Executive Director, India |
| Afonso Bevilaqua | Executive Director, Brazil |
| Daniel Palotai | Executive Director, Hungary |
| Shuntaro Hara | Alt Executive Director, Japan |
| Vitas Vasiliauskas | Executive Director, Lithuania |
| Robert Nicholl | Executive Director, Australia |

IMF Management and Staff

| | |
|---------------------------|------------------------------|
| Kristalina Georgieva | Managing Director |
| Antoinette Monsio Sayeh | Deputy Managing Director |
| Gilles Bauche | Deputy Secretary of the Fund |
| Ceyla Pazarbasioglu | Director, SPR |
| Atish Rex Ghosh | Deputy Director, SPR |
| Packiaraj Murugan | Assistant Director, OIA |
| Pierre Olivier-Gourinchas | Director, RES |
| Rhoda Weeks-Brown | Director, LEG |
| Rodrigo Valdés | Director, WHD |
| Romy Bowers | Director, ORM |
| Michelle Shannon | Director, OBP |
| Catriona Purfield | Director, HRD |

IEO and former IEO panels

| | |
|------------------------|------------------------------------|
| Pablo Moreno | IEO Director |
| Vivek Arora | Deputy IEO Director |
| Cyrus Rustomjee | Assistant IEO Director |
| Miguel de Las Casas | Lead Evaluator |
| Montek Singh Ahluwalia | Former IEO Director |
| Charles Collyns | Former IEO Director |
| Moisés Schwartz | Former IEO Director |
| José Antonio Ocampo | Former chair, IEO evaluation panel |
| Daniel Kaberuka | Former chair, IEO evaluation panel |

Country Authorities

| | |
|-----------------------------|------------------------|
| Rene Weber | FDF, former ED |
| Pierre-Francois Weber | Banque de France |
| Jean-Robert Jouanny | Trésor |
| Patricia Pollard | US Treasury |
| Der Jiun Chia | MAS, former ED |
| Steve Field | UK Treasury, former ED |
| Suzy Kantor | UK Treasury |
| Ai Ming | PBoC |
| Masaaki Kaizuka | BoJ |
| Nomfundo (Fundi) Tshazibana | SARB |
| Stuart Barry | BoE |
| Marco Cavaliere | SNB |
| Friederike Pohlenz | FDF |

International Financial Institutions

| | |
|-----------------------|--|
| Agustín Carstens | BIS General Manager, former IMFC chair |
| Alexandre Tombini | BIS Mexico Office, former EVC chair |
| Sabine Bernabé | WBG Independent Evaluation Group |
| Ivory Yong Protzel | IADB Evaluation and Oversight |
| Marvin Taylor-Desmond | AIIB CEIU |
| Ashwani K. Muthoo | NDB Independent Evaluation |
| Megan Grace Kennedy | OECD Evaluation Unit |

Academics and Think Tanks

| | |
|---------------------------|---------------------------------------|
| Adam Posen | PIIE Director |
| Cleon Butler | Chatham House Director |
| Min Zhu | Former DMD |
| Alejandro Werner | PIIE, former WHD |
| Joseph Gagnon | PIIE |
| Olivier Jeanne | PIIE |
| Nicolas Veron | PIIE |
| Gian-Maria Milesi-Ferreti | Brookings, former RES Deputy Director |
| Douglas Rediker | ICS |
| Siddharth Tiwari | BWC, former SPR Director |
| Adnan Mazarei | PIIE |
| Chikahisa Sumi | Former OAP Director |
| Takuji Tanaka | Former ED |
| Masahiko Takeda | Former APD |
| Mikio Kajikawa | Former ED |
| Hans Genberg | Asia School of Business |

ANNEX 1: IMF staff survey

This section presents the results of the survey conducted in 2023/2024 to assess the perceptions of IMF staff about the Independent Evaluation Office. 158 responses were collected, offering a representative overview of the opinions and insights of IMF personnel in relation to the IEO. This comparative survey analyzes trends compared to earlier surveys conducted in 2017 and 2012. It should be noted that, similarly to surveys overall, the response rates have declined compared to previous evaluations.

The 30 questions addressed various aspects, including demographic data, knowledge of the IEO, and the evaluation of IEO reports, and recommendations. An open text section was used for the panel to assess opinions but is not presented here in detail due to space constraints. A narrative summary is instead provided.

| DEMOGRAPHICS | | | |
|--|-------------|-------------|-------------|
| 1.1.- Where are you located? | | | |
| Choices | 2012 | 2017 | 2023 |
| An office outside Washington, D.C. | 7% | 6% | 6% |
| Headquarters in Washington, D.C. | 93% | 94% | 94% |
| 1.2.- Which category best describes your position in the IMF? | | | |
| Choices | 2012 | 2017 | 2023 |
| A12-A13 | 26% | 29% | 25% |
| A14-A15 | 54% | 48% | 50% |
| B1-B5 | 20% | 23% | 25% |
| 1.3.- In which office/department do you work? | | | |
| Choices | 2012 | 2017 | 2023 |
| Area departments | 41% | 37% | 34% |
| Functional and support departments | 51% | 51% | 55% |
| SPR | 8% | 12% | 11% |
| 1.4.- How long (in years) have you worked at the IMF? | | | |
| Choices | 2012 | 2017 | 2023 |
| Less than 5 years | 28% | 19% | 23% |
| From 5 to 10 years | 21% | 23% | 16% |
| More than 10 years | 51% | 58% | 61% |
| 1.5.- Have you ever worked for the IEO? | | | |
| Choices | 2012 | 2017 | 2023 |
| Yes | 1% | 3% | 4% |
| No | 99% | 97% | 96% |

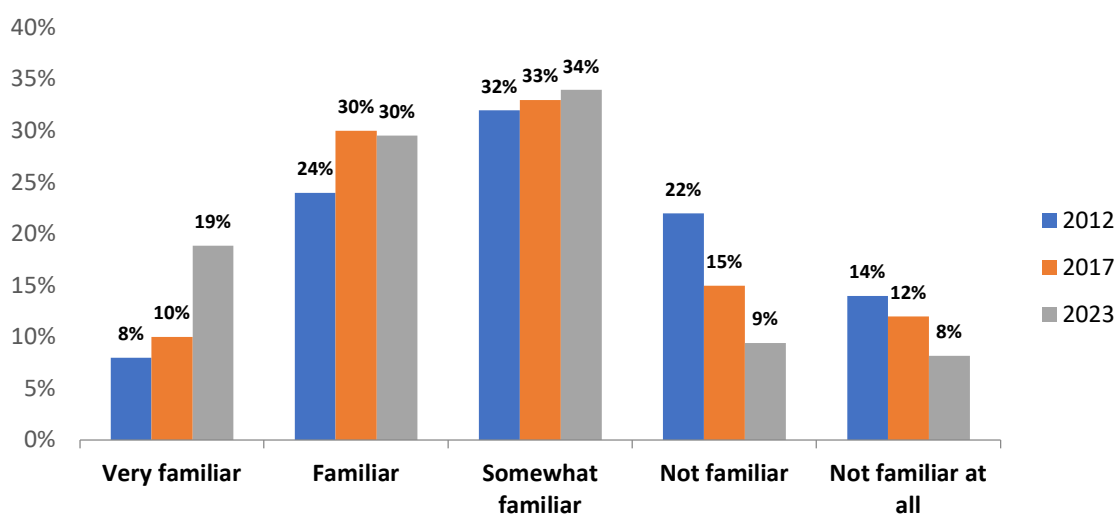
Area departments:

- Western Hemisphere Department
- Middle East and Central Asia Department
- European Department
- Asia and Pacific Department
- African Department

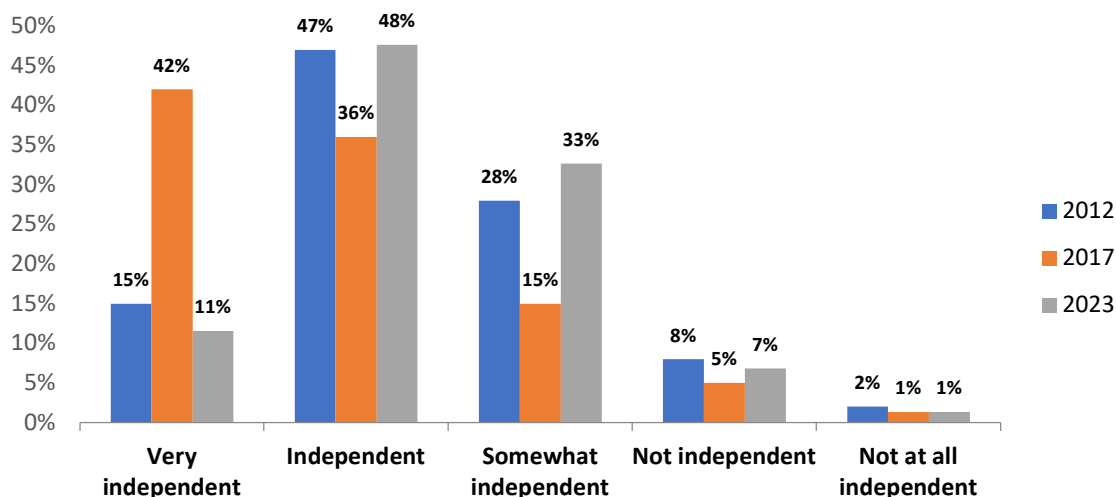
SPR: Strategy, Policy, and Review Department

Functional and support departments:- Office of Risk Management
 - Unit, Secretary’s Department,
 - Office of Internal Audit and Inspection,
 - Office of the Managing Director,
 - Research Department,
 - Monetary and Capital Markets Department,
 - Fiscal Affairs Department,
 - Other.

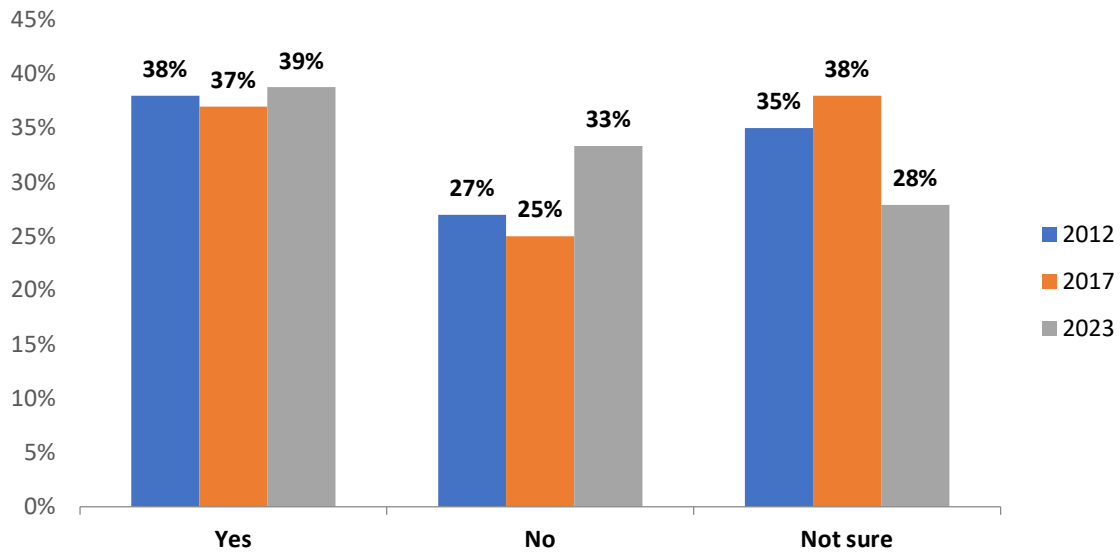
1.1. - How familiar are you with the IEO? (Total Responded: 158)



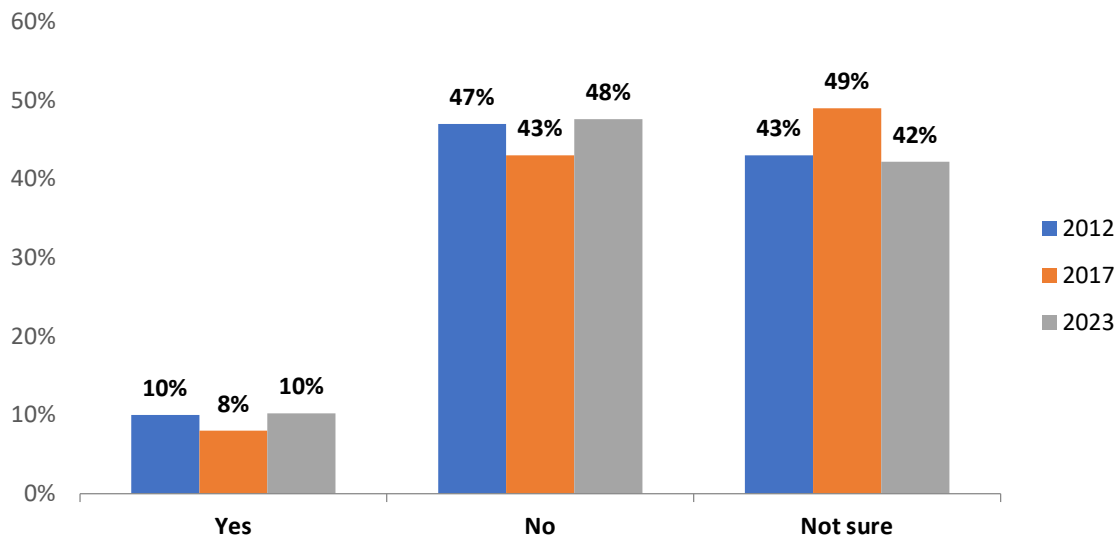
1.2. - In your opinion how independent is the IEO from IMF management and staff? (Total Responded: 146)



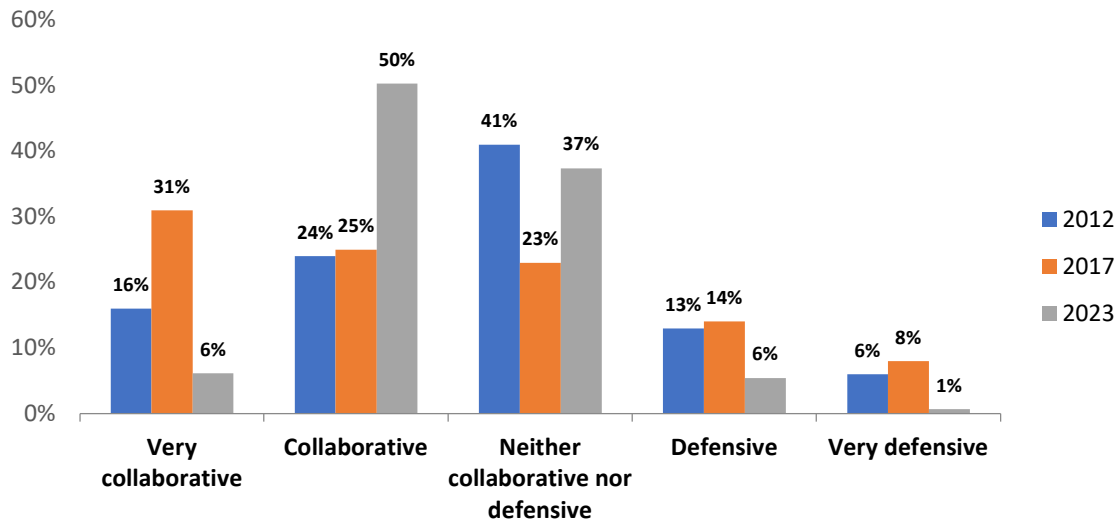
1.3. - Would you consider working for the IEO? (Total Responded: 146)



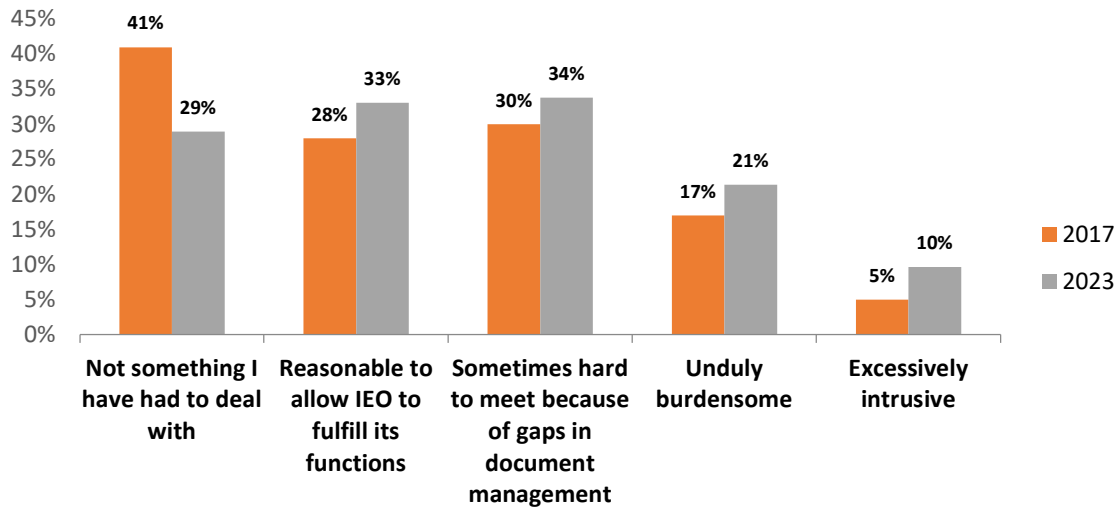
1.4. - Do you believe that working for the IEO would advance your career? (Total Responded: 146)



1.5. - How would you describe your department's interaction with the IEO? (Total Responded: 146)



1.6. - How would you describe IEO information requests? (Total Responded: 145)

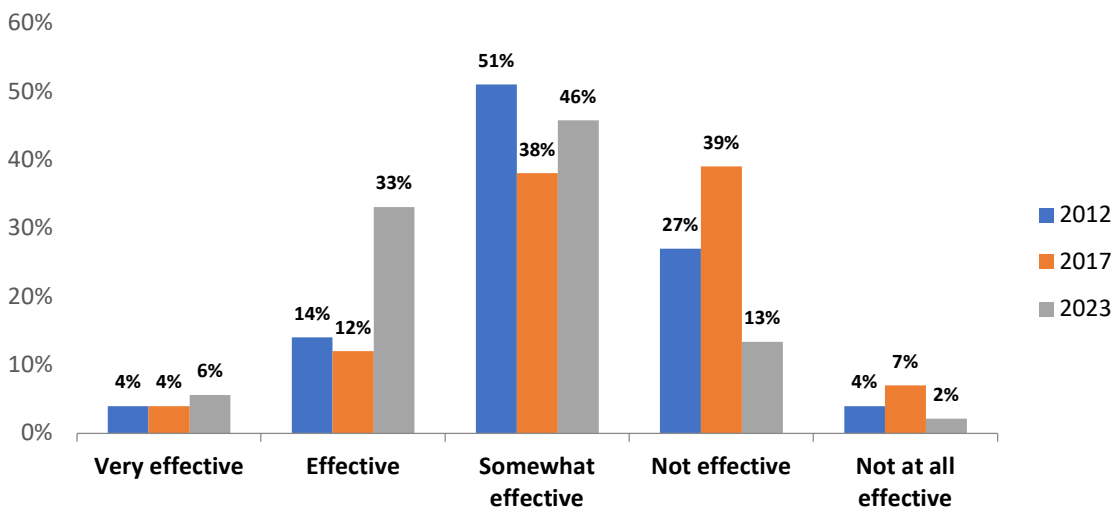


1.7. - How seriously you feel the IEO recommendations are in relationship to the following. (Total Responded: 145)

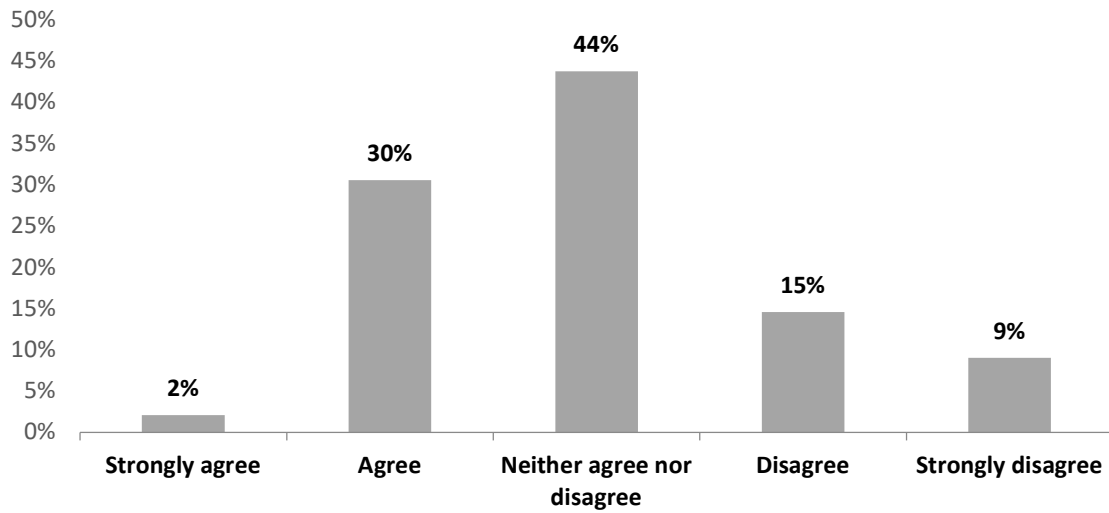
| Answer Category | Choices | 2012 | 2017 | 2023 | 2023-2017 |
|---|----------------------|------|------|------|-----------|
| IMF Executive Board takes IEO recommendations | Not at all seriously | 3% | 3% | 4% | 1% |
| | Not seriously | 9% | 7% | 6% | -1% |
| | Somewhat seriously | 31% | 16% | 17% | 1% |
| | Seriously | 40% | 30% | 25% | -5% |

| | | | | | |
|---|-----------------------------|-----|-----|------------|------------|
| Your current department head takes IEO recommendations | Very seriously | 17% | 23% | 22% | -1% |
| | Don't know | NA | 21% | 26% | 5% |
| | Not at all seriously | 3% | 3% | 1% | -2% |
| | Not seriously | 9% | 7% | 3% | -4% |
| | Somewhat seriously | 30% | 14% | 11% | -3% |
| | Seriously | 38% | 30% | 35% | 5% |
| | Very seriously | 20% | 25% | 26% | 1% |
| IMF management takes IEO recommendations | Don't know | NA | 21% | 24% | 3% |
| | Not at all seriously | 4% | 2% | 3% | 1% |
| | Not seriously | 11% | 13% | 8% | -5% |
| | Somewhat seriously | 29% | 16% | 18% | 2% |
| | Seriously | 42% | 37% | 33% | -4% |
| | Very seriously | 14% | 21% | 21% | 0% |
| | Don't know | NA | 11% | 17% | 6% |

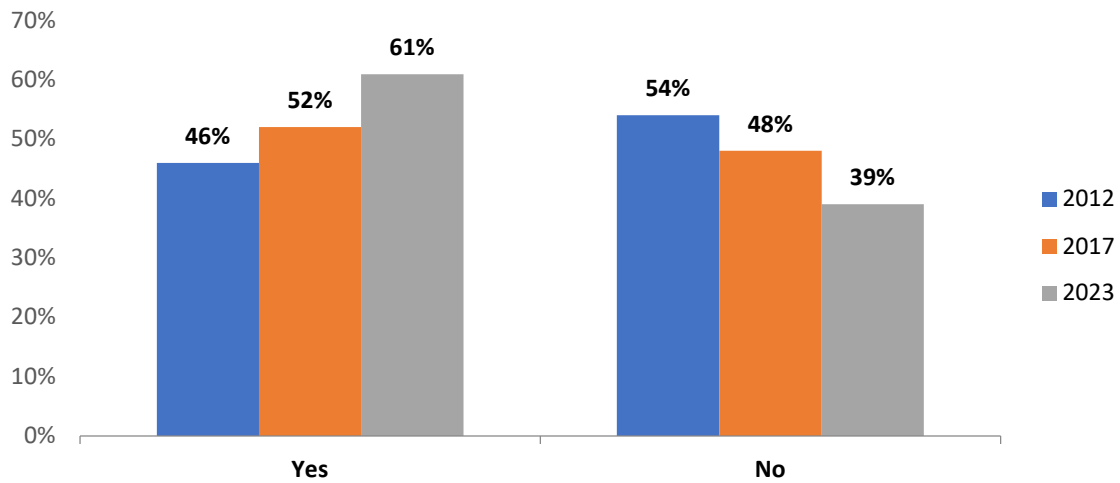
1.8. - How effective has IMF Management been in implementing IEO recommendations? (Total Responded: 141)



1.9. - IEO recommendations Specific, Monitorable, Achievable, Relevant, and Timebound (SMART)? (Total Responded: 143)



1.10. - Have you ever visited the IEO website? (Total Responded: 145)



1.11. - Indicate the level of influence each of the following has over which topics the IEO selects to evaluate. (Total Responded: 131)

| Answer Category | Choices | 2012 | 2017 | Answer Category | Choices | 2023 |
|--|-----------------------------|-------------|-------------|--|---|-------------|
| Senior management | 1. Least Influential | 17% | 38% | Senior management | Not influential / Not influential at all | 18% |
| | 2. | 44% | 34% | | Somewhat influential | 39% |
| | 3. Most Influential | 39% | 28% | | Influential / Very influential | 43% |
| IEO Office | 1. Least Influential | 23% | 27% | IEO Office | Not influential / Not influential at all | 4% |
| | 2. | 25% | 21% | | Somewhat influential | 21% |
| | 3. Most Influential | 52% | 52% | | Influential / Very influential | 75% |
| Strategy, Policy, and Review Department | 1. Least Influential | 65% | 46% | Strategy, Policy, and Review Department (SPR) | Not influential / Not influential at all | 19% |
| | 2. | 25% | 36% | | Somewhat influential | 43% |
| | 3. Most Influential | 10% | 18% | | Influential / Very influential | 38% |
| Non-borrowing members | 1. Least Influential | 52% | 40% | Non-borrowing members | Not influential / Not influential at all | 26% |
| | 2. | 20% | 35% | | Somewhat influential | 45% |
| | 3. Most Influential | 28% | 25% | | Influential / Very influential | 29% |
| Borrowing members | 1. Least Influential | 34% | 67% | Borrowing members | Not influential / Not influential at all | 34% |
| | 2. | 32% | 20% | | Somewhat influential | 46% |
| | 3. Most Influential | 34% | 13% | | Influential / Very influential | 20% |

| | | | | | | |
|----------------------------------|-----------------------------|-----|-----|----------------------------------|---|-----|
| External public pressures | 1. Least Influential | 41% | 40% | External public pressures | Not influential / Not influential at all | 26% |
| | 2. | 38% | 35% | | Somewhat influential | 46% |
| | 3. Most Influential | 21% | 26% | | Influential / Very influential | 28% |
| Executive Board | 1. Least Influential | 45% | 22% | Executive Board | Not influential / Not influential at all | 5% |
| | 2. | 36% | 45% | | Somewhat influential | 27% |
| | 3. Most Influential | 18% | 33% | | Influential / Very influential | 68% |

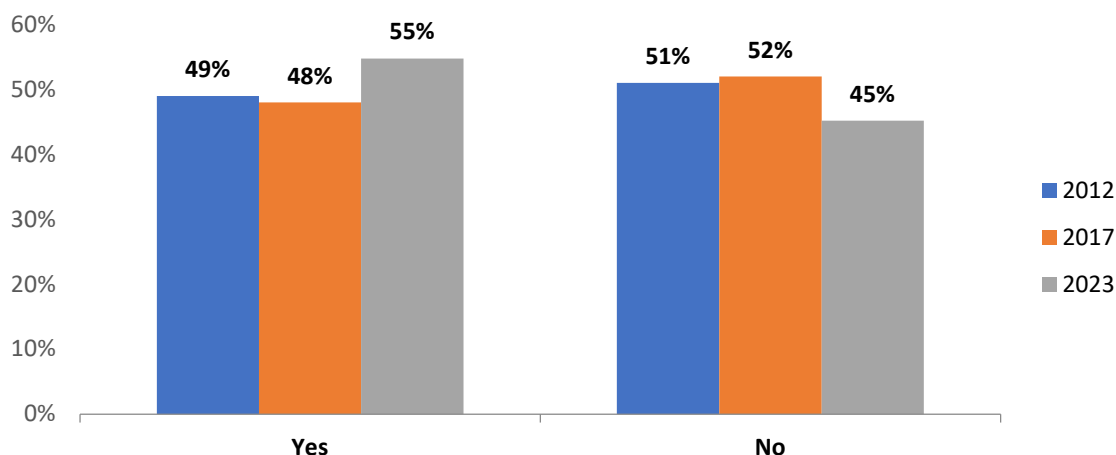
1.12. - Have you ever been consulted on IEO evaluations? (Total Responded: 145)

| Choices | 2012 | 2017 | Choices | 2023 |
|---------------------------|------|------|---------------------|------|
| 1. Not at all | 11% | 35% | Not at all | 33% |
| 2. | 81% | 58% | Yes, once, or twice | 42% |
| 3. Many times/Extensively | 8% | 7% | Yes, many times | 25% |

1.13. - In what areas have you been personally involved in IEO evaluations? (Total Responded: 143)

| Choices | 2012 | Choices | 2017 | Choices | 2023 |
|---|------|---|------|---|------|
| Never | 28% | Never | 25% | Never | 28% |
| Reading proofs | 1% | Provided data and/or documents | 30% | Provided data and/or documents | 44% |
| Helping to prepare staff or management response | 18% | Helping to prepare staff or management response | 29% | Helping to prepare staff or management response | 31% |
| Reading or commenting on final draft | 29% | Reading or commenting on drafts | 39% | Reading or commenting on drafts | 39% |
| Reading early drafts | 12% | Responded to survey | 43% | Responded to survey | 50% |
| Research | 5% | Participated in interviews | 37% | Participated in interviews | 46% |
| Preparation of issues paper | 4% | Comments on issues paper | 29% | Comments on issues paper | 31% |
| Topic selection | 10% | Topic selection | 5% | Topic selection | 13% |
| Other | 9% | | | | |

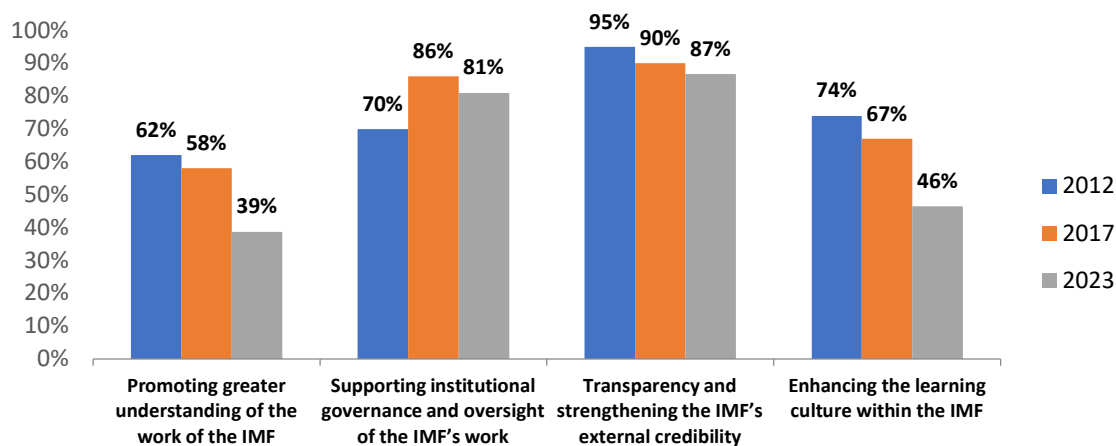
1.14. - Have you ever used an IEO report in your work? (Total Responded: 145)



1.15. - Have you discussed an IEO report with the following: (Total Responded: 138)

| Answer Category | Choices | 2012 | 2017 | 2023 |
|------------------|---------|------|-------|-------|
| Colleagues | Yes | 72% | 77% | 68,3% |
| | No | 28% | 23% | 31,7% |
| Outside the Fund | Yes | 25% | 17,3% | 15,1% |
| | No | 75% | 82,7% | 84,9% |

1.16. - For the key functions of the IEO listed below, please indicate what you feel are the top three highest priorities. (Total Responded: 142)



1.17. - Please indicate your level of agreement with the following statements. (Total Responded: 144)

| Answer Category | Choices | 2012 | 2017 | 2023 |
|-----------------|-------------------|------|------|------|
| | Strongly disagree | 15% | 12% | 13% |

The IEO process has created room for dissent within the Fund.

The IEO findings have encouraged greater discussion of policy alternatives within the Fund.

| | | | |
|----------------------------|-----|-----|------------|
| Disagree | 31% | 28% | 24% |
| Neither agree nor disagree | 35% | 36% | 34% |
| Agree | 15% | 20% | 24% |
| Strongly agree | 4% | 4% | 6% |
| Strongly disagree | 7% | 7% | 10% |
| Disagree | 23% | 16% | 18% |
| Neither agree nor disagree | 35% | 36% | 24% |
| Agree | 29% | 34% | 40% |
| Strongly agree | 6% | 7% | 8% |

**1.18. - Indicate which of the following IEO publications you have read or consulted on.
(Total Responded: 124)**

| Choices | 2012 | Choices | 2017 | Choices | 2023 |
|--|------|--|------|--|------------|
| IMF Performance in the Run-Up to the Financial and Economic Crisis: IMF Surveillance in 2004-07 (2011) | 36% | IMF Performance in the Run-Up to the Financial and Economic Crisis: IMF Surveillance in 2004-07 (2011) | 42% | The IMF's Emergency Response to the COVID-19 Pandemic (2023) | 58% |
| Research at the IMF: Relevance and Utilization (2011) | 23% | Research at the IMF: Relevance and Utilization (2011) | 26% | The IMF and Capacity Development (2022) | 41% |
| Financial Sector Assessment Program (2006) | 13% | International Reserves: IMF Concerns and Country Perspectives (2012) | 13% | IMF Engagement with Small Developing States (2022) | 30% |
| Multilateral Surveillance (2006) | 15% | The Role of the IMF as Trusted Advisor (2013) | 43% | Growth and Adjustment in IMF-Supported Programs (2021) | 33% |
| The IMF and Aid to Sub-Saharan Africa (2007) | 11% | IMF Forecasts: Process, Quality, and Country Perspectives (2014) | 23% | Working with Partners: IMF Collaboration with the World Bank on Macro-Structural Issues (2020) | 23% |
| IMF Exchange Rate Policy Advice (2007) | 16% | Recurring Issues from a Decade of Evaluation: Lessons for the IMF (2014) | 16% | IMF Advice on Capital Flows (2020) | 30% |
| Structural Conditionality in IMF-Supported Programs (2007) | 21% | IMF Response to the Financial and Economic Crisis (2014) | 43% | IMF Advice on Unconventional Monetary Policies (2019) | 21% |
| Governance of the IMF: An Evaluation (2008) | 13% | Self-Evaluation at the IMF: An IEO Assessment (2015) | 18% | IMF Financial Surveillance (2019) | 23% |

| | | | | | |
|---|-----|--|-----|--------------------------------------|-----|
| IMF involvement in International Trade Policy Issues (2009) | 6% | Behind the Scenes with Data at the IMF: An IEO Evaluation (2016) | 23% | The IMF and Fragile States (2018) | 47% |
| IMF interactions with Member Countries (2009) | 17% | The IMF and the Crises in Greece, Ireland, and Portugal (2016) | 61% | The IMF and Social Protection (2017) | 27% |
| None of the above | 15% | None of the above | 12% | | |

1.19. - Indicate which of the following IEO evaluation updates you have read or consulted on. (Total Responded: 65)

| Choices | Answers |
|---|---------|
| IMF Involvement in International Trade Policy Issues - Evaluation Update (2019) | 14% |
| Governance of the IMF – Evaluation Update (2018) | 54% |
| Structural Conditionality in IMF-Supported Programs – Evaluation Update (2018) | 51% |
| IMF Exchange Rate Policy Advice – Evaluation Update (2017) | 25% |
| Multilateral Surveillance: Revisiting the 2006 IEO Evaluation (2017) | 20% |

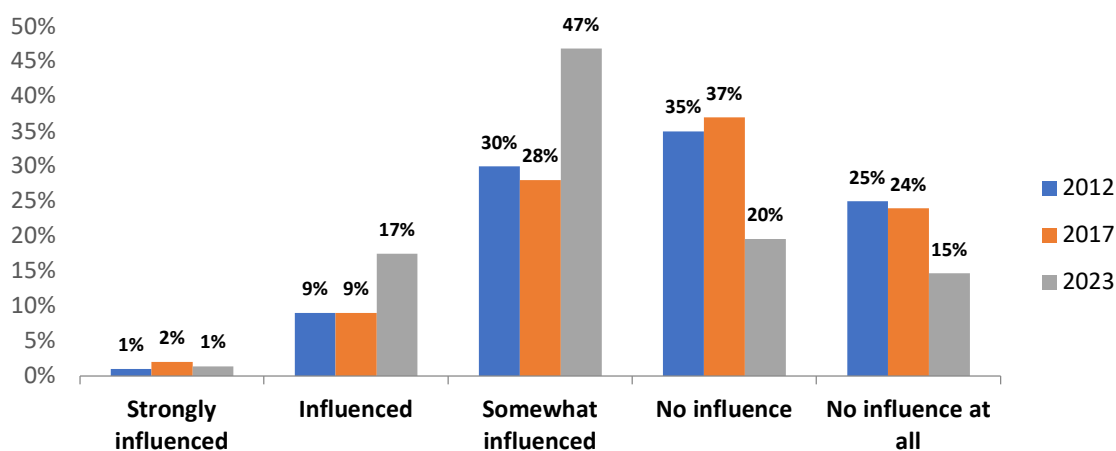
1.20. - How would you rate IEO reports in terms of: (Total Responded: 143)

| Answer Category | Choices | 2012 | 2017 | 2023 | 2023-2017 |
|------------------------|------------------------------|------|------|------|-----------|
| Topic Selection | | | | | |
| | Poor / Very poor | 7% | 3% | 5% | 2% |
| | Neither good nor poor | 27% | 17% | 21% | 4% |
| | Good | 42% | 49% | 41% | -8% |
| | Very good | 13% | 19% | 20% | 1% |
| | Don't know | 11% | 12% | 13% | 1% |
| Independence | | | | | |
| | Poor / Very poor | 10% | 6% | 9% | 3% |
| | Neither good nor poor | 23% | 14% | 11% | -3% |
| | Good | 35% | 42% | 38% | -4% |
| | Very good | 20% | 24% | 28% | 4% |
| | Don't know | 12% | 14% | 13% | -1% |
| Accuracy | | | | | |
| | Poor / Very poor | 12% | 9% | 7% | -2% |
| | Neither good nor poor | 29% | 32% | 19% | -13% |

1.22. - For each of the following, please indicate whether the IEO should do more, about the same or less. (Total Responded: 133)

| Answer Category | Choices | 2012 | 2017 | 2023 |
|---|----------------|------|------|------|
| Monitoring of follow-up of Board-endorsed recommendations | Less | 20% | 11% | 19% |
| | About the same | 43% | 50% | 50% |
| | More | 37% | 39% | 31% |
| Specific operational recommendations | Less | 19% | 21% | 23% |
| | About the same | 47% | 46% | 44% |
| | More | 34% | 33% | 33% |
| Policy recommendations | Less | 14% | 16% | 18% |
| | About the same | 56% | 57% | 65% |
| | More | 30% | 27% | 17% |
| Investigation of best practices | Less | 8% | 5% | 8% |
| | About the same | 30% | 37% | 47% |
| | More | 62% | 58% | 45% |
| Country case studies | Less | 14% | 11% | 13% |
| | About the same | 53% | 61% | 59% |
| | More | 33% | 28% | 28% |

1.23. - How much has the work of the IEO influenced your work? (Total Responded: 143)



1.24. - Overall, in your opinion, how could the IEO be improved? (Total Responded: 43)

1.25 - Please provide any other comments you would like to make on the IEO and its operations? (Total Responded: 19)

The qualitative feedback provided by IMF staff members offers insights into the perceived effectiveness and areas for improvement of the Independent Evaluation Office (IEO). The responses highlight a range of concerns and suggestions that in some cases are also reflected in the main thrust of the recommendations of this report.

One of the primary themes that emerges from the feedback is the need for the IEO to be more focused and selective in its areas of engagement. Many staff members feel that the IEO should produce fewer reports, but with a deeper and more targeted analysis. By concentrating on key issues and avoiding interference with ongoing policy initiatives, the IEO could provide more valuable and timely insights to the Fund.

Another significant concern raised by staff is the quality and practicality of the IEO's recommendations. Several responses suggest that the IEO should strive for more objective and evidence-based analysis, ensuring that conclusions are well-supported and recommendations are feasible within the IMF's resource constraints. Prioritizing high-impact recommendations and considering their cost implications could help increase buy-in from staff, management, and the Executive Board.

Fostering a more collaborative and engaged relationship between the IEO and IMF staff is another key area for improvement identified in the feedback. Some respondents perceive the IEO's approach as adversarial at times, with evaluators entering projects with preconceived notions or biases. By increasing engagement with departments, taking staff comments and factual corrections into account, and maintaining a collegial approach, the IEO could build trust and enhance the impact of its work.

Maintaining independence and credibility is crucial for the IEO to effectively carry out its evaluations. While some respondents question the independence of the IEO due to the presence of former high-level IMF staff, others emphasize the importance of the IEO's existence in promoting accountability and improving decision-making incentives. Hiring more staff from outside the Fund and consistently delivering high-quality, objective analysis could help bolster the IEO's credibility.

Resource efficiency is another significant concern highlighted in the feedback. Many staff members feel that the IEO's reports are too lengthy and consume a substantial amount of time and resources. Streamlining reports, limiting their length, and being mindful of the Fund's budget constraints could help reduce the burden on staff and ensure that the IEO's work is more focused and impactful.

Lastly, the feedback suggests that the IEO could improve its communication and outreach efforts. Some respondents believe that the IEO should work harder to communicate its findings externally and raise awareness of its mission and mandate across the Fund. By engaging in more

targeted outreach and education efforts, the IEO could increase understanding and appreciation of its role within the organization.

Overall, while some staff members call for a significant scaling down of the IEO, the majority of respondents provide constructive suggestions for improvement. By addressing concerns related to focus, engagement, resource efficiency, and credibility, the IEO could strengthen its position as a valuable contributor to the IMF's effectiveness and accountability. Implementing these changes, however, will require a concerted effort and commitment from both the IEO and the broader IMF community.

ANNEX 2: Executive Director Offices survey

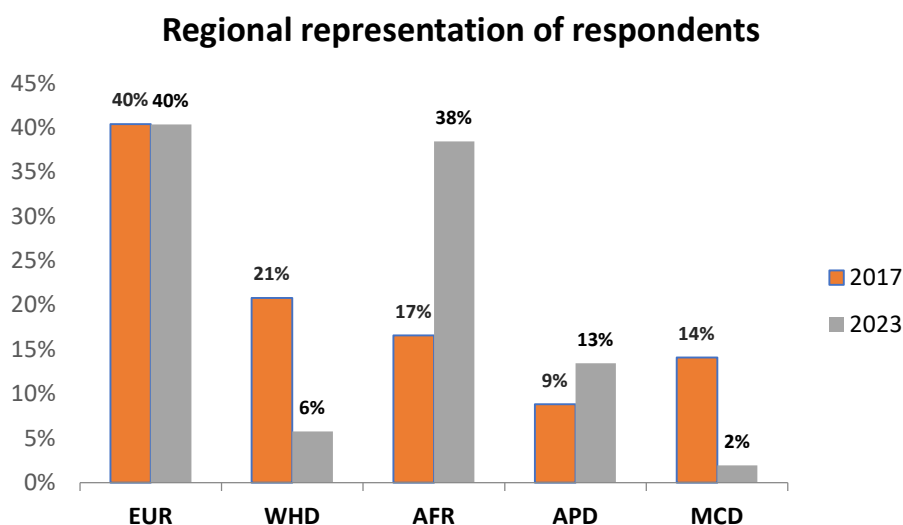
A specific survey was distributed to the Executive Directors Offices, receiving 53 responses from 49 countries. Some countries provided responses from their ministry and central bank teams, and from the Executive Directors. The responses from country authorities and executive directors are aggregated. The responses included 40% from Executive Director Offices and from Central Banks, and the rest from the Finance Ministries.

The survey consisted of a total of 9 questions designed to assess knowledge and satisfaction with the work of the IEO, as well as to gather detailed opinions about its reports and strategic objectives, thereby enabling a comparison with the responses from 2017.

2.1 Authority

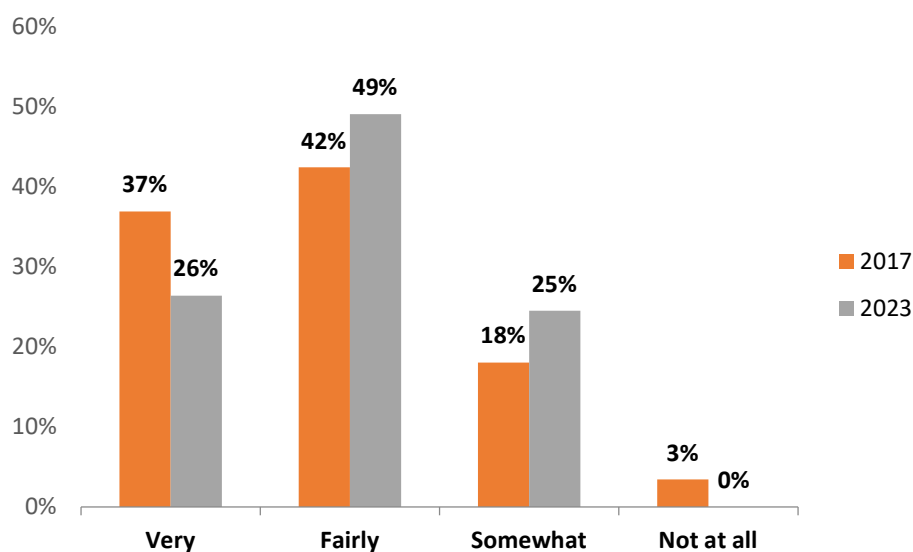
| Choices | Answers |
|---------------------|---------|
| ED | 40% |
| Ministry of Finance | 21% |
| Central Bank | 40% |

2.2. – Regional representation (Total Responded: 53)



Africa (AFR), Asia and Pacific (APD), Europe (EUR), Middle East and Central Asia (MCD), and Western Hemisphere (WHD).

2.3. - How familiar are you with the Independent Evaluation Office (IEO)? (Total Responded: 53)



2.4. - How satisfied are you overall with the IEO's work? (Total Responded: 52)

| Choices | Answers |
|------------------------------------|---------|
| Very satisfied | 23% |
| Satisfied | 65% |
| Neither satisfied nor dissatisfied | 12% |
| Dissatisfied | 0% |
| Very dissatisfied | 0% |

2.5. - Which report(s) have you read or consulted? (Total Responded: 52)

| Choices 2013-2017 | 2017 | Choices 2017-2023 | 2023 |
|--|------|---|------|
| IMF Response to the Financial and Economic Crisis (2014) | 43% | IMF Involvement in International Trade Policy Issues - Evaluation Update (2019) | 21% |
| The IMF and the Crises in Greece, Ireland, and Portugal (2016) | 31% | Governance of the IMF – Evaluation Update (2018) | 38% |
| The IMF and Social Protection (2017) | 20% | Structural Conditionality in IMF-Supported Programs – Evaluation Update (2018) | 42% |
| IMF Forecasts: Process, Quality, and Country Perspectives (2014) | 16% | IMF Exchange Rate Policy Advice – Evaluation Update (2017) | 40% |
| The Role of the IMF as Trusted Advisor (2013) | 14% | Multilateral Surveillance: Revisiting the 2006 IEO Evaluation Update (2017) | 21% |
| Recurring Issues from a Decade of Evaluation: Lessons for the IMF (2014) | 6% | The IMF's Emergency Response to the COVID-19 Pandemic (2023) | 77% |
| Behind the Scenes with Data at the IMF: An IEO Evaluation (2016) | 3% | The IMF and Capacity Development (2022) | 62% |

| | | | |
|--|----|--|-----|
| Self-Evaluation at the IMF: An IEO Assessment (2015) | 3% | IMF Engagement with Small Developing States (2022) | 46% |
| IMF Exchange Rate Policy Advice– Evaluation Update (2017) | 8% | Growth and Adjustment in IMF-Supported Programs (2021) | 46% |
| The IMF's Approach to Capital Account Liberalization: Revisiting the 2005 IEO Evaluation (2015) | 6% | Working with Partners: IMF Collaboration with the World Bank on Macro-Structural Issues (2020) | 38% |
| Multilateral Surveillance: Revisiting the 2006 IEO Evaluation (2017) | 4% | IMF Advice on Capital Flows (2020) | 48% |
| Prolonged Use of IMF Resources: Revisiting the 2002 IEO Evaluation (2013) | 3% | IMF Advice on Unconventional Monetary Policies (2019) | 44% |
| Revisiting the 2004 IEO Evaluation of the IMF's Role in PRSPs and the PRGF and the 2007 IEO Evaluation of the IMF and Aid to Sub-Saharan Africa (2014) | 0% | IMF Financial Surveillance (2019) | 44% |
| IMF Technical Assistance: Revisiting the 2005 IEO Evaluation (2014) | 0% | The IMF and Fragile States (2018) | 46% |
| Fiscal Adjustment in IMF-Supported Programs: Revisiting the 2003 IEO Evaluation (2013) | 0% | The IMF and Social Protection (2017) | 31% |

2.6. - How do you assess the following aspects of the IEO reports between (Total Responded: 51)

| Answer Category | Choices | 2017 | 2023 |
|-------------------------------|--------------------------|---------------|--------------|
| Recommendations | Appropriate | NA | 96,1% |
| | Needs improvement | NA | 3,9% |
| Quality of the reports | Appropriate | 100,0% | 96,2% |
| | Needs improvement | 0% | 3,8% |
| Topic selection | Appropriate | 97,0% | 90,4% |
| | Needs improvement | 3,0% | 9,6% |

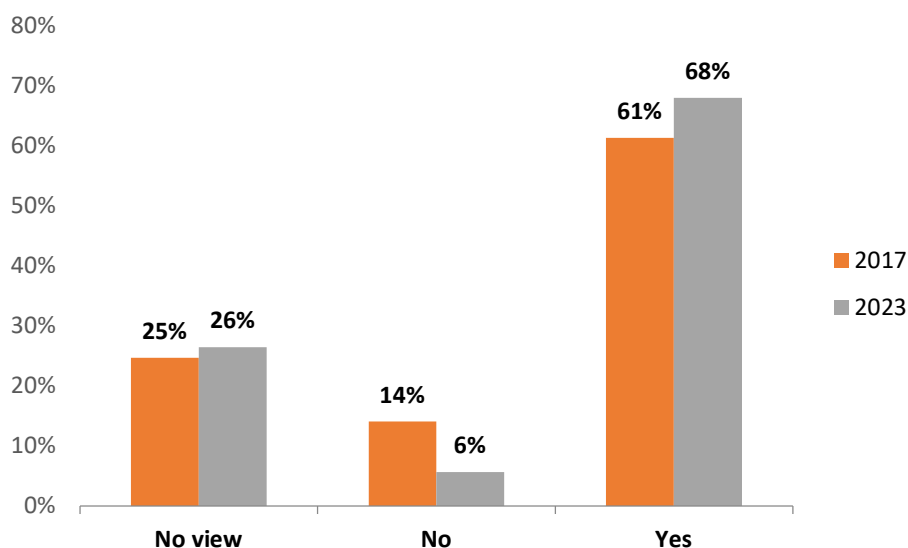
Note: The responses "Fairly" and "Very" are considered within the "Appropriate" category, while "not at all" and "somewhat" fall into the "Needs improvement".

2.7. - Please indicate how well the IEO has achieved each of its objectives. (Total Responded: 48)

| Answer Category | Choices | 2017 | 2023 |
|--|------------------------------|------|------|
| Support the Fund's institutional governance and oversight | Very poor/Poor | 0% | 0% |
| | Neither good nor poor | 8% | 6% |
| | Good | 46% | 52% |
| | Very good | 46% | 42% |
| Strengthen the Fund's external credibility | Very poor/Poor | 0% | 0% |
| | Neither good nor poor | 13% | 16% |
| | Good | 48% | 54% |

| | | | |
|---|------------------------------|-----|-----|
| | Very good | 39% | 30% |
| Enhance the learning culture within the Fund | Very poor/Poor | 0% | 0% |
| | Neither good nor poor | 14% | 17% |
| | Good | 53% | 64% |
| | Very good | 32% | 19% |

2.8. - Should the IEO do more outreach to member countries? (Total Responded: 53)



2.9. - Please indicate the top three options in terms of timing for IEO outreach to member countries. (Total Responded: 51)

| Choices | Answers |
|--|----------------|
| Implementation of recommendations | 71% |
| Final report presentation | 73% |
| Participate in interviews | 61% |
| Issues paper | 57% |
| Topic selection | 92% |

2.10. - Please elaborate on your response above, particularly if you feel the IEO has considered adequately the perspectives of your country.

2.11. - How can the IEO better contribute to make independent evaluation even more relevant and effective?

The qualitative feedback provided by country authorities and ED offices highlight a range of perspectives and suggestions that in view of the respondents could significantly enhance the IEO's impact and credibility within the IMF and its member countries.

One of the key themes that emerges from the feedback is the importance of the IEO maintaining its independence and demonstrating impartiality in its evaluations. Many respondents appreciate the IEO's efforts to seek diverse opinions through broad outreach and believe that this practice should be upheld, particularly in the context of changing IEO leadership and personnel. Engaging with a wide range of stakeholders, including country authorities, IMF staff, and external experts, is seen as crucial for conducting effective and independent evaluations.

While the topic selection process is generally considered satisfactory, some respondents suggest that the IEO could improve transparency by providing a clearer rationale for its final choices after consultations. The quality of IEO reports is widely praised, with many respondents finding the recommendations to be reasonable, independent, and well-aligned with their country's perspectives. However, a few respondents note instances where the conclusions of specific reports did not fully align with their views.

Several respondents emphasize the importance of effective engagement and dialogue with country authorities throughout the evaluation process. This includes involving authorities in topic selection, capturing their views through focused interviews, and providing updates on the implementation of recommendations. Some respondents also suggest that the IEO could enhance its outreach and visibility by organizing more events to present key findings and engaging bilaterally with member states that need the most assistance.

To increase the relevance and effectiveness of its work, many respondents recommend that the IEO consider streamlining its reports by producing shorter, more focused evaluations with fewer background studies. This could make the findings more accessible, digestible, and impactful. Additionally, respondents suggest that the IEO focus on concrete, actionable recommendations that maximize the efficiency and effectiveness of existing resources and improve internal coordination mechanisms.

The feedback also highlights the need for the IEO to anticipate the administrative and budgetary implications of its recommendations to reduce the likelihood of them being sidelined by Management Implementation Plans (MIPs). Some respondents propose including the implementation of IEO recommendations in the professional assessment of the Fund's management through a comply-or-explain approach.

Looking ahead, respondents suggest that the IEO could play a more strategic role in evaluating the IMF's work in new areas such as climate change and digitalization. This would involve

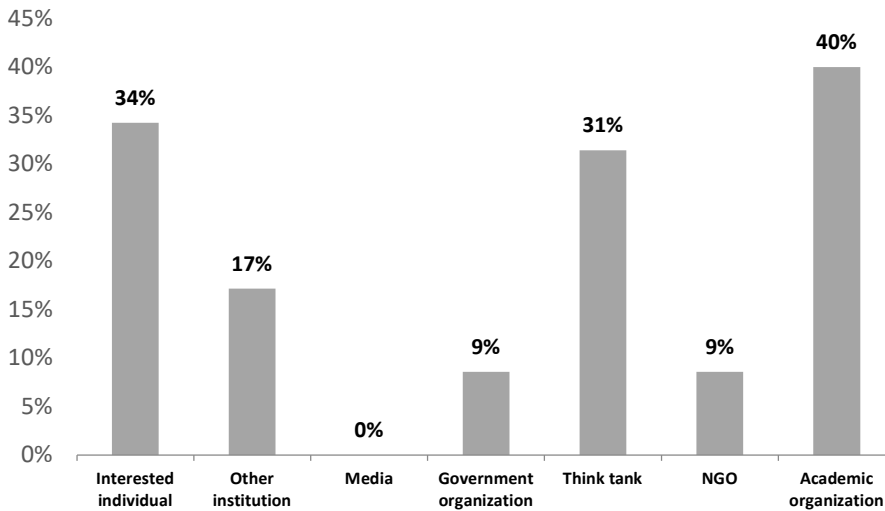
assessing the effectiveness and allocation of IMF resources in these areas and examining synergies and coordination with other international institutions.

Overall, the feedback from country authorities underscores the value of the IEO's work in promoting accountability, transparency, and continuous improvement within the IMF. By addressing the suggestions related to independence, engagement, report format, and strategic focus, the IEO can further strengthen its position as a critical contributor to the Fund's effectiveness and responsiveness to its member countries' needs.

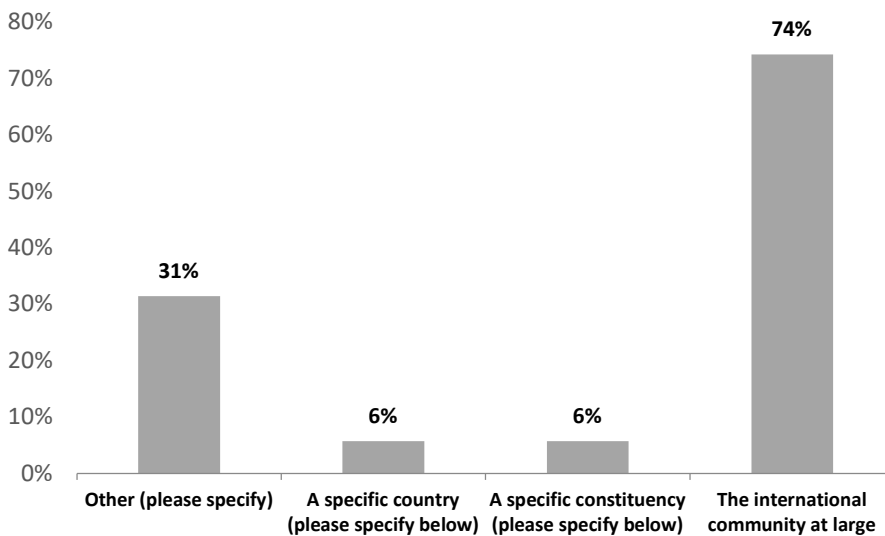
ANNEX 3: External stakeholders survey

Following our Terms of Reference, we surveyed for the first time in an external evaluation IEO’s external stakeholders. 35 responses were collected.

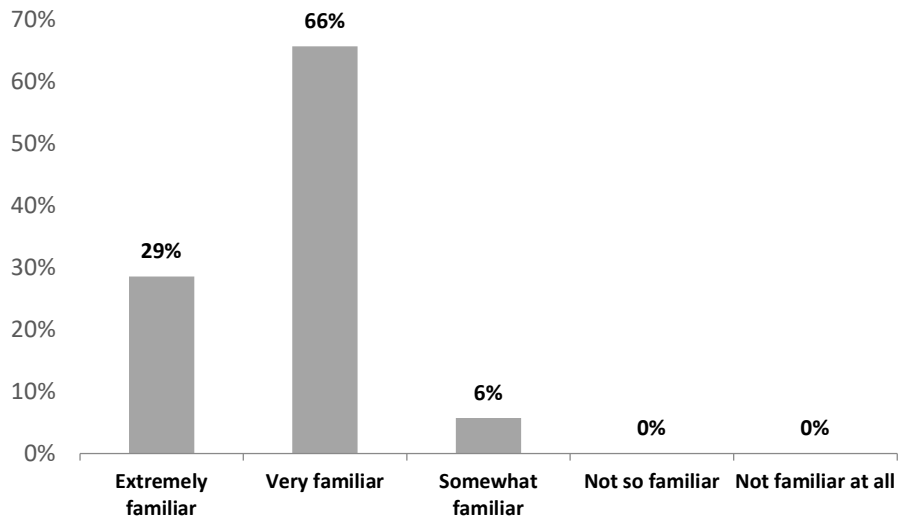
3.1. - Indicate which of the following you are a member of. (Total Responded: 35)



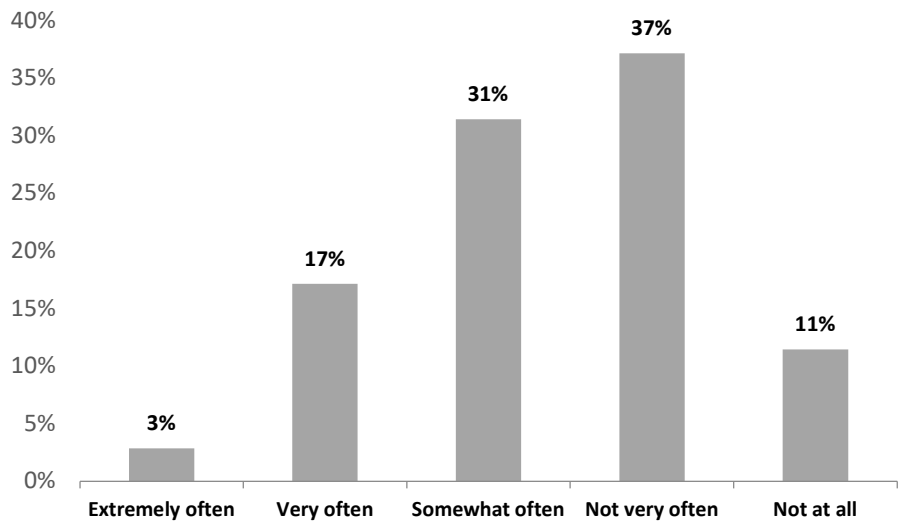
3.2. - The views you express on this survey can be associated with (Total Responded: 35)



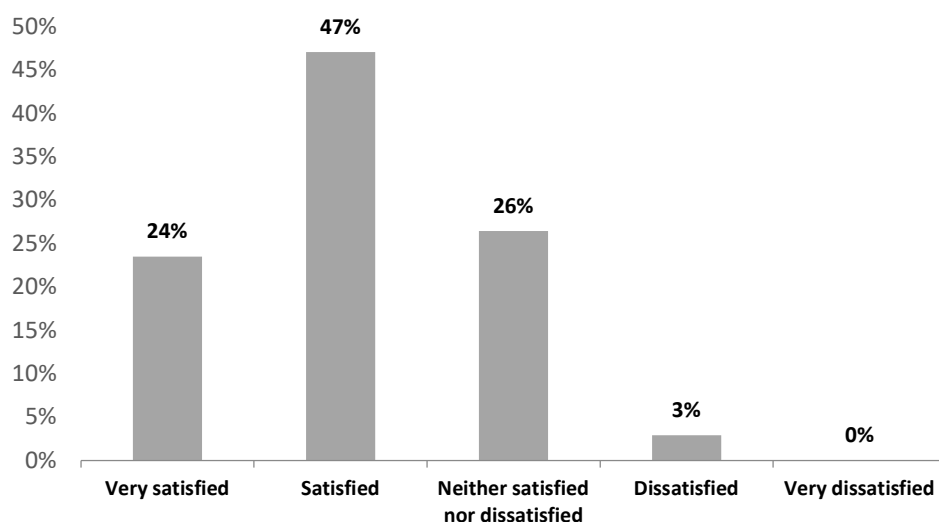
3.3. - How familiar are you with the Independent Evaluation Office (IEO)? (Total Responded: 35)



3.4. – How often have you interacted directly with the IEO in outreach activities in the past 24 months? (Total Responded: 35)



3.5. - How satisfied are you overall with the IEO’s work? (Total Responded: 34)



3.6. -Which report(s) between 2017 and 2023 have you read or consulted? (Total Responded: 34)

| Choices | Answers |
|--|---------|
| IMF Involvement in International Trade Policy Issues - Evaluation Update (2019) | 6% |
| Governance of the IMF – Evaluation Update (2018) | 46% |
| Structural Conditionality in IMF-Supported Programs – Evaluation Update (2018) | 26% |
| IMF Exchange Rate Policy Advice – Evaluation Update (2017) | 23% |
| Multilateral Surveillance: Revisiting the 2006 IEO Evaluation Update (2017) | 17% |
| The IMF’s Emergency Response to the COVID-19 Pandemic (2023) | 31% |
| The IMF and Capacity Development (2022) | 34% |
| IMF Engagement with Small Developing States (2022) | 23% |
| Growth and Adjustment in IMF-Supported Programs (2021) | 34% |
| Working with Partners: IMF Collaboration with the World Bank on Macro-Structural Issues (2020) | 31% |
| IMF Advice on Capital Flows (2020) | 49% |
| IMF Advice on Unconventional Monetary Policies (2019) | 34% |
| IMF Financial Surveillance (2019) | 31% |
| The IMF and Fragile States (2018) | 31% |
| The IMF and Social Protection (2017) | 14% |

3.7. - How do you assess the following aspects of the IEO reports between 2017 and 2023. (Total Responded: 34)

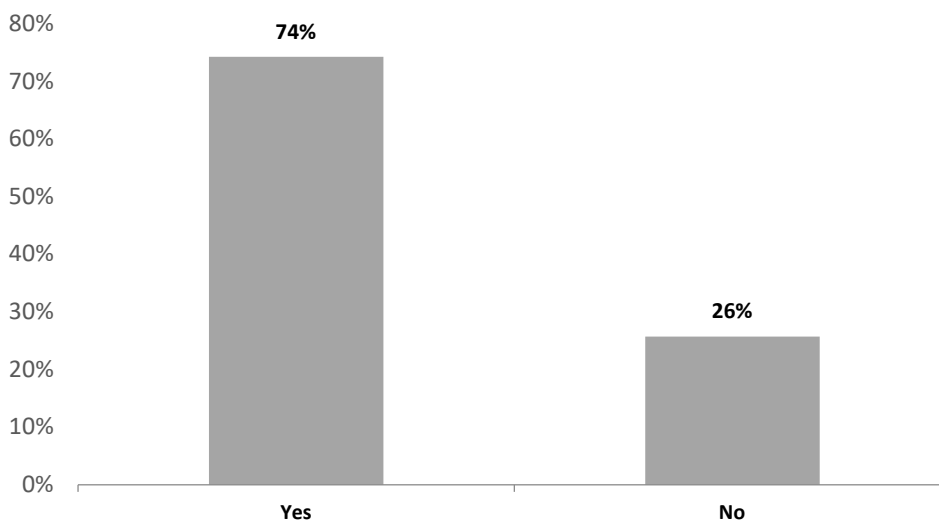
| Answer Category | Choices | Answers |
|-----------------|-------------|---------|
| Recommendations | Appropriate | 57% |

| | | |
|------------------------|-------------------|-----|
| Quality of the reports | Needs improvement | 43% |
| | Appropriate | 79% |
| Topics selection | Needs improvement | 21% |
| | Appropriate | 80% |
| | Needs improvement | 20% |

3.8. - Please indicate how well the IEO has achieved each of the following objectives. (Total Responded: 35)

| Answer Category | Choices | Answer |
|--|-------------|--------|
| Support the Board’s institutional governance and oversight | Not at all | 6% |
| | Somewhat | 34% |
| | Fairly well | 26% |
| | Very well | 20% |
| | No view | 14% |
| Strengthen the Fund’s external credibility | Not at all | 6% |
| | Somewhat | 29% |
| | Fairly well | 43% |
| | Very well | 20% |
| | No view | 3% |
| Enhance the learning culture within the Fund | Not at all | 0% |
| | Somewhat | 31% |
| | Fairly well | 26% |
| | Very well | 23% |
| | No view | 20% |

3.9. -Should the IEO do more outreach to external stakeholders such as yourself? (Total Responded: 35)



3.10. Please elaborate on your responses above. (Total Responded: 19)

3.11. - How can the IEO better contribute to make independent evaluation even more relevant and effective? (Total Responded: 21)

One of the key themes that emerges from the feedback is the need for the IEO to strengthen its independence and maintain a clear distinction between providing an outside view of what the IMF should be doing and conducting an independent evaluation. Some respondents perceive the IEO as being too closely tied to the IMF, with regular staff coming from inside the organization or having worked there before. This creates concerns about potential conflicts of interest and a lack of critical thinking. To address this, respondents suggest that the IEO should make greater use of external consultants and researchers, particularly from underrepresented regions like Africa, and ensure a clear separation between the IEO and IMF staff and management.

Another important aspect highlighted in the feedback is the need for the IEO to foster a collaborative learning culture through its evaluations. This requires careful consideration in shaping recommendations that are implementable, build on strengths, and do not encourage a defensive response from the IMF. Some respondents feel that the IEO's recommendations tend to be understated and defer unduly to the institution's own views and self-assessment. They suggest that the IEO should take bolder, more challenging positions and provide candid assessments that emphasize lessons to be learned rather than engaging in finger-pointing or ex-post negativity.

The topic selection process is generally considered appropriate, involving the Board and including seminars for discussion. However, some respondents believe that the IEO should focus more on the difficult challenges facing the Fund and on verifying the empirical validity of the ideas that guide many policy beliefs within the organization. There are also concerns that topics are sometimes chosen too soon after or in the midst of ongoing IMF operations, and that insufficient attention is paid to the resource implications of recommendations.

While the quality of IEO reports is mostly praised, some respondents suggest that the IEO could improve its methodology, letting the evidence speak for itself and ensuring that recommendations are SMART (Specific, Measurable, Achievable, Relevant, and Time-bound). Others feel that the reports tend to be overloaded with background papers, making it difficult for the IMF Board to digest the findings and map them to the main report and recommendations.

To increase its external credibility and effectiveness, respondents recommend that the IEO engage more actively with a diverse group of stakeholders before selecting topics and finalizing reports. This could involve teaming up with civil society organizations, think tanks, academia, and regional financial institutions to organize discussion forums in different regions and collect views from stakeholders in emerging market economies.

Additionally, the IEO could enhance its outreach and publicity efforts by sharing main findings and recommendations with relevant stakeholders, producing short summaries for the media, and increasing its involvement in the international financial institution community.

Looking ahead, some respondents suggest that the IEO should be more active in evaluating the risks of preserving the IMF's current governance structure, particularly the widening gap between the relative weight of some large emerging market economies in the world economy and their IMF

quotas. They also propose exploring possible fixes to address the perceived inconsistency between weighted voting and preserving the Fund's capacity for independent and uncompromised surveillance.

Overall, the feedback from external stakeholders underscores the importance of the IEO's role in providing an independent assessment of the quality and effectiveness of the IMF's work. By addressing the suggestions related to independence, collaborative learning, topic selection, report methodology, stakeholder engagement, and outreach, the IEO can further strengthen its position as a valuable contributor to the Fund's accountability and continuous improvement.