

INDEPENDENT EVALUATION OFFICE—2025 WORK PROGRAM UPDATE
NEW EVALUATION—IMF ENGAGEMENT ON DEBT ISSUES IN LOW-INCOME COUNTRIES

December 20, 2024

In the process of selecting the topics for its evaluations, the IEO conducts a series of consultations with the Executive Board of the IMF, the Fund’s management and staff, external experts, and civil society organizations, and elaborates a menu of possible topics for future evaluations, considering their preferences. The topics are then selected based on the following main criteria: strategic importance to the Fund’s membership and mandate, institutional priorities, concerns about the IMF’s current approach, balanced coverage across Fund activities and country groups, and timing to align evaluations with the IMF work agenda and scheduled policy reviews.¹

Ongoing Evaluations

The IEO is currently working on the evaluations of: (i) ["IMF Advice on Fiscal Policy"](#) (IEO, 2024a), and (ii) ["The IMF and Climate Change"](#) (IEO, 2024b). It has also recently published the evaluation of ["The IMF’s Exceptional Access Policy"](#) (IEO, 2024d).

New Evaluation

The IEO will launch a new evaluation on **"IMF Engagement on Debt Issues in Low-Income Countries"** considering its ample support among stakeholders, its alignment with current institutional priorities, and its timelines to complement the broader IMF work agenda. The attachment provides a preliminary description of the background and the anticipated format and scope of the evaluation. In the first quarter of 2025, the IEO will present a detailed issues paper for this evaluation, which will be consulted with the Executive Board, management, staff, and external stakeholders and posted on the [IEO website](#) for general comments. The evaluation is expected to be delivered in the first half of 2026.

The IEO will continue consultations with the Executive Board of the IMF, the Fund’s management and staff, external experts, and civil society organizations, and further evaluations will be launched as current evaluations are completed, drawing on the menu of ["Possible Topics for Future IEO Evaluations"](#) (IEO, 2024c).

¹ The IEO is developing an evaluation policy to be presented in 2025 in response to the recommendations from the [Fourth External Evaluation of the IEO](#) (García-Silva, Sembene, and Jin, 2024), which will encompass the topic selection process. Annex I in IEO (2024c) summarizes the current topic selection process, aligning with external evaluators’ recommendations for enhanced transparency.

ATTACHMENT¹

IMF Engagement on Debt Issues in Low-Income Countries

Context. The IMF has historically been engaged in addressing debt-related issues of low-income countries (LICs) and has provided technical support to facilitate debt restructuring in relevant cases. Notable initiatives include the Heavily Indebted Poor Countries initiative, the Multilateral Debt Relief Initiative, and the Catastrophe Containment and Relief Trust. The Joint IMF-World Bank Debt Sustainability Framework for LICs (LIC-DSF), established in 2005, refined in 2017, and currently under review, has helped guide debt sustainability assessments and lending decisions. Since 2018, the IMF and World Bank have pursued a collaborative multi-pronged approach to enhance debt transparency and public debt management. Despite these efforts, the debt situations in LICs continued to deteriorate, particularly in the wake of the post-COVID-19 era and amidst their vast development needs to achieve the UN Sustainable Development Goals (SDGs) and address climate risks. This deterioration presents challenges for their ability to access Fund resources amid an increasingly complex creditor coordination landscape. To address these challenges, the IMF has supported international initiatives, like the G20/Paris Club Debt Service Suspension Initiative, the Common Framework for Debt Treatment, and the Global Sovereign Debt Roundtable, in collaboration with the World Bank and the G20. More recently, the Lending into Official Arrears policy was expanded—strengthening financing assurances reviews during ongoing restructurings—and the Approval in Principle procedures have been modified to facilitate engagement until financing assurances are established.

Evaluation focus. The evaluation will focus on the Fund’s support for LIC members on debt-related issues in surveillance, lending, and capacity development. It will assess the quality, effectiveness, and traction of IMF engagement, including the timely identification of debt vulnerabilities in a comprehensive manner, the provision of advice and institutional support, and the role of the LIC-DSF in evaluating risks to debt sustainability. It will examine the implications of debt sustainability assessments for LICs’ access to Fund resources, as well as issues related to debt transparency and public debt management. The evaluation will also review the Fund’s effectiveness in supporting recent debt relief and restructuring initiatives for low-income borrowers, its catalytic role, and the success of the Fund’s collaboration with the World Bank on debt-related matters.

Format and timing. The breadth of the issues involved warrants a full-scale evaluation. Given that debt pressures for LICs continue to increase and considering the ongoing review of LIC-DSF, the evaluation will begin immediately and is envisaged for completion in the first half of 2026.

¹ Based on IEO (2024c).

REFERENCES

García-Silva, Pablo, Daouda Sembene, and Zhongxia Jin, 2024, "Managing Risks through Transparent Accountability—Fourth External Evaluation of the Independent Evaluation Office," June (Washington: International Monetary Fund).

Independent Evaluation Office of the International Monetary Fund (IEO), 2024a, "IMF Advice on Fiscal Policy," Draft Issues Paper, May.

_____, 2024b, "The IMF and Climate Change," Draft Issues Paper, September.

_____, 2024c, "Possible Topics for Future IEO Evaluations," November.

_____, 2024d, *The IMF's Exceptional Access Policy*, December (Washington: International Monetary Fund).