



# THE IEO AMONG ITS PEERS

## Selected Lessons from comparison

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- ▶ After 20 years of internally-driven development, the anniversary is a good opportunity to learn from others.
- ▶ Comparison chapter: no intention of being systematic nor exhaustive.
- ▶ Goal: look at what others do and extract implementable lessons.
- ▶ Starting premises:
  - Legacy from the time of establishment; time to get over those constraints?
  - The IMF is different, and so has to be the IEO...
  - ...but there are also similarities; all evaluation offices face similar challenges.

- We thought, that after 20 years of **internally-driven development**, the anniversary is a great opportunity, not only to **reflect on the IEO's experience**, but also to **learn from the experience of evaluation offices in other IFIs**, and we decided to write a chapter making a non-systematic comparison.
- In doing so we had **two framing** thoughts:
  - **First, maybe its time to lighten the heavy legacy the IEO carries from the time of establishment**, as its design was very influenced by the circumstances 20 yrs ago, we have to keep in mind that:
    1. the Fund was a **much less transparent** institution
    2. there was **not universal agreement** on whether the IMF should have an IEO
    3. once they decided to go ahead, EDs were **preoccupied** with (i) the **IEO interfering** with IMF operations, which led to the insertion of the non-interference clause in the IEO ToR; and (ii) the problems they saw in the design of other offices: dominance of parent institutions' staff, too big, and lack of independence.
  - The **IMF is different**. The IMF is **not a development institution** (more of an advisory role and lender in times of crisis) so the IEO has to adapt and needs to be somewhat different... but at the same time the IEO faces many of the **same challenges and problems of other evaluation functions**, so we must be open to learn from the experience of others.
  - This presentation highlights just a few interesting findings of that chapter.

► Review of selected **evaluation reports**

- Fragile states: by IEG, IDEV, IEO-UNDP, and DAC
- Global financial crisis: by IEG, and IED

► **Interviews**

- EvD-EBRD
- IDEV- AfDB
- IED - AsDB
- IEG - World Bank
- IEO - UNDP
- OVE - IDB

Very briefly, just to let you know how we approached the chapter:

As a **starting point** we reviewed several evaluation reports by other evaluation offices on topics that the IEO had also evaluated:

- On FCS
  - 2 by IEG of the World Bank
  - 2 by the IDEV of the AfDB
  - 1 by the IEO of UNDP
- On the GFC
  - 2 by IEG
  - 2 by the IED of the AsDB

Then we **interviewed** colleagues in all of those institutions and in the EVD of the EBRD and in the OVE of the IDB. Thank you very much for your time and patience!

- ▶ The **less-is-more approach** *[comparison]*
  - Fewer reports and a shorter menu
  - Increased institutional attention, impact, and flexibility.
- ▶ High levels of **independence**
  - Topic selection
  - Greater separation from Management, staff, and the Board
- ▶ Light but effective **quality control** mechanisms
  - Entry, mid-term, and exit workshops vs. peer reviews and advisory panels

So, jumping to the findings, what did we think the IEO is doing well? Let me highlight three areas:

First, what we call the **less-is-more approach**:

- IEO is the **smallest** evaluation office among the larger IFIs by any metric, but very especially we produce **fewer reports** (and fewer types of reports) -> And we think this model has served the IEO well; by paying close attention to the IMF's absorptive capacity (not only of reports, but also follow-up work), we have increased the **institutional attention and impact** of our work.

The IEO enjoys high levels of **independence**, for example:

- Topic selection: we do have a systematic consultation process but, ultimately, the Director is **free to choose**; so the Board does not approve evaluation topics or the work program like in other offices. And we also have greater **separation** than peers from Management, staff, and the Board in our day to day business.

The IEO has developed light but effective mechanisms for **quality control**

- IEO uses one day long **workshops** in which we bring together for discussion former staff, management, and Board members, external experts, and officials from other organizations, including CSOs.
- Other offices use mostly **peer reviews and advisory panels** and some colleagues lamented problems the IEO has not faced: these exercises becoming box-ticking exercises, very bureaucratized and time-consuming, lacking diversity of views, and less enriching.

- ▶ **Early-stage** or mid-term evaluations are a widely used by colleagues...
  - Very useful; timely and informative
  - Well-received by the Boards; they narrow information asymmetry
  - Well-received by Management teams; less accountability
- ▶ ...but the IEO follows a strictly **ex-post approach** and is constrained the non-interference clause
  - Greater sensitivity of the Fund's work, but...
  - Limits IEO's ability to engage on some important topics
  - Can cause delays and limit value added
- ▶ **Real Time Evaluations** are beyond the capacity of the IMF-IEO

But most importantly, let's focus on areas where the IEO can learn from others. The first one of them is the timing of evaluations. We found that other offices have been much more involved in early-stage evaluations.

### Early-stage evaluations

- All evaluation offices undertake them routinely: not only now for the pandemic. For example, the three reports we reviewed on the GFC, by IEG and IED, were early-stage evaluations. In contrast to our evaluation of the GFC that was completed six years after the crisis.
- These early-stage evaluations are regarded as very useful, timely, and informative: they extract lessons from recent experience but allow, at the same time, the timely adoption of corrective measures where needed.
- For these reasons, they are well-received by their Executive Boards: they narrow the persistent information asymmetry between the Board and Management, shared by the Fund and many other institutions.
- Also, well-received by the Management team of other institutions; since they focus more on processes than outcomes, the accountability element is reduced, but they help the institution to quickly adapt to experience.
- They can be combined with a subsequent full ex-post evaluation, that focuses more on outcomes.

**However, the IEO is more constrained to a strictly ex-post approach, in particular...**

- ... our unique non-interference clause (mentioned by Charles) requires that "*In conducting its work, IEO should avoid interfering with operational activities, including current programs*".
- It is true that the Fund's work, by its nature, can be more sensitive to interference, for example, in delicate high stakes negotiations of programs, but...
- The clause constrains IEO's ability to engage in a timely way in some topics, mostly program-related, particularly multiyear programs typically under the exceptional access policy.
- Colleagues in other offices are constantly evaluating ongoing development projects, for example in country evaluations, and the IEO does this also with surveillance and CD activities; being careful not to comment on specific ongoing operations.

**However, RTEs are not a good fit for the IEO**

- RTEs are designed to provide immediate (real time) feedback, during the fieldwork, to those planning or executing a project; normally for humanitarian interventions. For example, UNICEF does country-level RTEs during crises.
- Based on very fast information flows and reporting during crises
- Require a specific set of tools, capacities, and processes, which the IEO and the IMF do not have
- May not be worth for the IMF; lack of capacity to absorb information and adopt corrective action in real time
- As far as we know, only the AED in the AsDB is working on a RTE of the Banks response to the pandemic at its Board's request.

- ▶ The IEO is behind peer offices in terms of **sound evaluative methodological base** and should strengthen its toolkit
  - Source of comparative advantage and value added
  - Strengthen the quality of evidence
  - Make evaluation more convincing to wider audiences
- ▶ Possible **tools**: theory of change, content analysis, contribution analysis, process tracing, and emerging IA applications (intensified by COVID pressure)
- ▶ Risk of **methodological dominance**

- The IEO uses the same **bread and butter tools** as other evaluation offices for data gathering and analysis: literature reviews, semi-structured interviews, surveys, country cases, statistical/econometric work, and text analysis.
- However, the IEO is lagging behind peer offices in terms of using **evaluation methodologies** and should strengthen its toolkit; some colleagues even opined that the IEO does **research** not evaluation (others like this). Sharper methodological tools would:
  - Constitute a source of internal comparative advantage, providing an alternative approach to that offered by staff
  - Strengthen the quality of evidence, contributing to eliminate biases and other flaws
  - Make evaluation more convincing to wider audiences
- **Tools that the IEO could incorporate** to its arsenal: the most urgent one is theory of change (used in all reports analyzed and in general in every evaluation by colleagues—also called program theory, results chain, it is essentially a map or a logframe of how a certain intervention leads to an expected outcome), but also others such as, content analysis, contribution analysis, process tracing, and emerging AI applications (intensified by COVID pressure).
- **Big risk** experienced by colleagues: turning evaluations into methodological box-ticking exercises without substantive content. This creates an illusion of rigor but leads to reports that are void of substance. Balance is necessary.

- ▶ IEO has a **robust monitoring system** for the implementation of recommendations...
  - Follow-up process substantially strengthened over time
  - Strong Board involvement
  - Involvement of a third party, OIA, in monitoring implementation
- ▶ ...but, like peers, the **IEO could play a greater** role in the process
  - Should the IEO have a greater responsibility for monitoring, as in other evaluation offices, either in full or working with OIA?
  - Would a greater role in follow-up facilitate implementation?
  - Resource implications?

IEO has a **robust system for monitoring** the implementation of recommendations, which has evolved over time. Main elements:

- Management has 6 months to come up with **MIP** plan in response to Board-endorsed recommendations, translating recommendations into actions.
- The IEO's system requires Board's approval of the MIP—which does not happen in other IFIs—and we think ensures more ambitious responses by Management and Staff
- Annual **PMR for which the OIA is responsible and is also discussed by the Board**
- PMRs discussed by the Board
- One-off **Triage process** for dealing with the backlog of actions

But some offices **take care of the monitoring themselves** and interact more with the Board in evaluating responses

- Should the IEO have a greater responsibility for monitoring, as in other evaluation offices, either in full or working with OIA? For example:
  - It could provide advice to the Board on policy papers prepared in response to MIPs
  - It could advice on the costs and risks of delays in MIP implementation
  - It could assess the impact of measures taken, not just compliance with actions listed in the MIP
- Would a greater IEO role in follow-up promote a closer engagement with staff, increase trust, and facilitate implementation?
- Since the IEO is so small, a substantial resource increase would be needed.



## Issues for Discussion

- ▶ Strengths and weaknesses: agreed? any other?
- ▶ How useful would early evaluations be for the IMF? How constraining is the strictly ex-post approach? What is the IEO missing?
- ▶ What additional evaluative tools should the IEO be using, given its mandate and portfolio? What is the IEO missing?
- ▶ Should the IEO have a larger role in monitoring and assessing the implementation of recommendations? Pros and cons?

**THANK YOU!**  
*<https://ieo.imf.org>*

	IEG (WB)	IED (AsDB)	OVE (IADB)	IDEV (AfDB)	IEO (UNDP)	IEO (IMF)
Reports per year	947	89	18	11	3	2/3
Budget (millions USD)	37.3	14.8	8.4	7.36	11.8	6.21
Budget ratio	1.4	1.9	1.4	1.8	0.2	0.5
Staff	109	60	25	40	32	15
Staff ratio	0.9	1.7	1.3	1.9	0.1	0.6
Date of establishment	1973	1978	1999	1980	1967	2001

Source: IEO.

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