

2022

SPRING ISSUE

IEO DIALOGUE



Building the Fund's Culture of Learning through Independent Evaluation



On November 16–17, 2021, the IEO hosted a virtual conference to mark the 20th anniversary of the opening of the IEO in 2001.

Focus and sessions. The conference was opened by the Fund's Managing Director and included current and former Fund staff, IEO staff, and Executive Directors as well as external stakeholders among speakers. It provided an occasion to discuss lessons from the experience with IEO independent evaluation over the past ten years and consider the challenges to evaluation at the IMF going forward. Organized around four sessions, the conference focused on: (i) whether the IEO helped the IMF do its job better over the past decade and what lessons can be learned; (ii) what role can the IEO play to help the IMF meet the challenges it will face over the coming decade and what can the IEO learn from the work of other evaluation offices; (iii) the role of evaluation in strengthening institutions (keynote address by Professor Ngaire Woods); and (iv) how to strengthen the overall contribution from evaluation at the IMF.

Key messages. Several messages emerged from the remarks of conference participants. There was widespread recognition that the IEO's evaluations have had a tangible impact on IMF policies and practices over the past ten years, reflecting in part efforts to strengthen focus and follow-up. To sustain and enhance the IEO's impact over the coming decade, participants suggested that the IEO could (i) delve more into areas where the IMF plans to take on an enhanced role, such as climate change; (ii) work more intensively with counterpart evaluation offices when evaluating topics where effective IMF collaboration with other institutions is important; (iii) aim at shorter, sharper evaluations, and, where appropriate use "early-stage evaluations" to provide timely assessments; and (iv) enhance use of state-of-the-art evaluative tools to strengthen empirical rigor and analytical precision.

Follow-up. As with the IEO's 10th year anniversary conference in 2011, the IEO@20 conference proceedings will be collected in a book to be released later in 2022. Relevant issues may also be considered by the next external evaluation of the IEO, scheduled to be launched next year.

MESSAGE FROM THE DIRECTOR



The IEO has been fully engaged over the past six months in multiple roles: making considerable progress in three ongoing evaluations; supporting follow-up by working closely with IMF staff preparing two management implementation plans for earlier evaluations;

seeking to learn from our own past experience by organizing a conference to celebrate our twentieth birthday; and holding a series of lively seminars as part of our outreach program.

A common thread in all this work is to focus on how the IEO can help the Fund best meet its mandate. We take on topics of strategic importance to the institution; we strive to build understanding and support for our evaluation conclusions; we aim at concrete and actionable recommendations; and we actively engage with IMF staff on follow-up to support the traction of our work.

Speaking of traction, it's pleasing that two of our recent evaluations have contributed importantly to rethinking Fund policies and practices in key areas. In March, the Board approved a comprehensive strategy to strengthen IMF support to fragile and conflict-affected states, responding to the Board-endorsed recommendations of the 2018 IEO report on "The IMF and Fragile States"; moreover, increased budgetary resources have been provided to support this new approach. The Board also endorsed an update to the Fund's guidance on capital flows to provide greater flexibility for measures to manage capital flows that can create risks to financial stability, following a recommendation from the 2020 IEO evaluation of "IMF Advice on Capital Flows".

Our IEO@20 conference provided many useful ideas for how the IEO itself should learn from its own experience to increase our impact. One central idea is to make sure that evaluation topics are timely and relevant as the Fund faces a range of new challenges. We are constantly thinking ahead to what we should be looking at next—and we will soon be choosing two new topics to begin later this year. Your ideas and suggestions would be very helpful!



IEO@20 virtual seminar.

For further information on the IEO's work, please visit ieo.imf.org

SELECTION OF NEW EVALUATION TOPICS

As usual, the IEO will be selecting new topics for evaluation as ongoing evaluations are completed. We will be considering topics that are important to the Fund's mandate and where an IEO evaluation can help the Fund learn from experience to strengthen its role and impact. As well as consulting widely with stakeholders, we will consider lessons from the IEO@20 conference and issues identified in our stocktaking of past IEO work on issues related to institutional integrity. Please feel free to send us your ideas and suggestions to our mail box: ieo@imf.org. You can see our most recent menu of topics from January 2021 here: ieo.imf.org.



First IEO hybrid staff meeting.

IEO SEMINAR PROGRAM

The IEO is running a popular, public webinar series featuring some of the world's top experts on a variety of economic topics that are central to current and potentially future IEO evaluations. Since the 2021 Annual Meetings, seven webinars took place focusing on, respectively: post-covid economic resilience, inflation, policy preparedness in the light of the global economy's post-pandemic legacies, Sweden's approach to welfare financing, the role of global corporations in economic policy, the state of climate action in 2022, and solutions to post-pandemic global debt. More seminars are planned in the coming months.



Recent IEO Seminars

ON THE HORIZON - IEO'S WORK PROGRAM

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

GAINING TRACTION - FOLLOW UP ON PAST EVALUATIONS

Two management implementation plans (MIPs) have been completed by IMF staff since September 2021:

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

ABOUT THE IEO

The Independent Evaluation Office (IEO) was established in 2001 to conduct independent and objective evaluations of IMF policies and activities. Under its Terms of Reference, the IEO is fully independent from the management of the IMF and operates at arm's length from the Executive Board. The IEO's mission is to enhance the learning culture within the Fund, strengthen the IMF's external credibility, and support the Executive Board's institutional governance and oversight responsibilities.