

2023

SPRING ISSUE

## IEO DIALOGUE



Building the Fund's Culture of Learning through Independent Evaluation

## RESPONDING TO AN UNPRECEDENTED CHALLENGE



The IEO's evaluation of *The IMF's Emergency Response to the COVID-19 Pandemic* (ERP) was discussed by the Executive Board in

March. It provided an early assessment of the IMF's work during the emergency phase of the pandemic to identify lessons that could help the Fund better prepare for possible future global crises.

The evaluation found that the Fund deserves great credit for its effective and agile response. Key areas of success included the adoption of a pragmatic strategy to provide rapid financing support to a broad range of countries through existing instruments; the provision of extensive and timely policy advice and capacity development; well founded and overall quite accurate economic assessments of the impact of the pandemic despite some sizeable misses at the country level; and numerous HR and budgetary adaptations in response to emergency needs and the abrupt shift to remote work. It also commended IMF staff for their strong dedication to deliver for the membership in very challenging circumstances.

Notwithstanding these positive outcomes, the evaluation also pointed

to a number of strains and challenges. Specifically, the evaluation found that emergency financing was not particularly well tailored to countries' needs or circumstances; that strategic differences emerged with key partners in providing financing in some cases; limited early analysis of the increased risks to the Fund's balance sheet; and in a few cases, a lack of evenhandedness in decisions on access and prior actions. At the same time, stress on staff remained at high levels as it took considerable time to shift resources to where they were most needed.

The report made two broad recommendations to strengthen the value added and impact of IMF response to future global shocks.

- ▶ The Fund should develop a toolkit of special policies and procedures that could be quickly activated to help address the needs and circumstances of a global crisis.
- ▶ The Fund should take steps to reinforce institutional preparedness to deal with global crises and other large shocks.

In discussing the report, Executive Directors welcomed the findings and broadly supported the recommendations, while agreeing with the Managing Director's view that overly rigid processes should be avoided. A management implementation plan will now be prepared for discussion by the Board later this year.



Exit Workshop for the evaluation of *The IMF's Emergency Response to the COVID-19 Pandemic*.

## MESSAGE FROM THE DIRECTOR



This will be my last contribution to IEO Dialogue as I reach the end of my six-year term as IEO Director at the end of April. The new IEO Director, Pablo Moreno, takes the reins in May. Running the IEO has been a wonderful opportunity to make a difference at the

IMF. It has been a great privilege to work with such a talented team of IEO staff, past and present, and I thank them for their dedication, hard work and insights. I believe the result has been a series of high quality and impactful evaluations on how well the IMF has addressed some key challenges: for example, in supporting social protection for vulnerable groups, in working with fragile and conflict affected states, in giving advice on unconventional monetary policies, providing effective capacity development, and responding to the COVID-19 pandemic to name a few. Credit must also go to the Executive Board for their continuing strong support for and keen interest in our evaluation work and to management and staff for their openness to engage with IEO recommendations and their diligence and patience in responding to a multitude of information requests. As I pass the baton, I am fully confident that Pablo and his team will fully sustain and build further the IEO's key role in the Fund's governance and I look forward to enjoying the fruits of the IEO's endeavors with greater leisure.



## IEO@20 BOOK

In early April 2023, the IEO published a book drawing on material from its 20th anniversary conference, held in November 2021. The book aims in effect at a self-evaluation by its staff of the IEO's approach and impact in its second decade; it also includes reflections from many expert stakeholders who have worked closely with the IEO. The book highlights both areas of success and continuing challenges for independent evaluation at the Fund and suggests some directions for further strengthening the IEO's role that could be considered by the Fourth External Evaluation now about to be launched.

For further information on the IEO's work, please visit [ieo.imf.org](http://ieo.imf.org)

## GAINING TRACTION—FOLLOW UP ON PAST EVALUATIONS

The 12th Periodic Monitoring Report (PMR) was discussed by the Board in November 2022, which found that significant progress had been made in implementing management actions in response to Board-endorsed recommendations from IEO evaluations. Following the Board's guidance at that meeting, the IEO is working with staff on a framework to assess the enterprise risk stemming from possible slippages in the implementation of such commitments. The ERP evaluation is being used to pilot this new framework. Further information should be provided in the 13th PMR expected for the second half of 2023.

In March, the Board endorsed a Management Implementation Plan (MIP) detailing the strategy to implement Board-endorsed recommendations from the IEO's evaluation of Small Developing States (SDS) completed in May 2022. The MIP includes multiple commitments to strengthen the Fund's engagement with SDS, notably: (i) an update to the 2017 staff guidance note; (ii) strengthened staff coordination and accountability mechanisms; (iii) improved reporting to the Board; (iv) attention to SDS experience in the coming review of the Resilience and Sustainability Trust; (v) efforts to reduce staff turnover and increase on-the-ground presence, including a plan to enhance the use of long-term macroeconomic experts; and (vi) a review of progress after five years. A MIP on the IEO's evaluation of the IMF's Capacity Development will be discussed by the Board soon after the Spring Meetings.



*In-person in-reach event for the evaluation of The IMF and Capacity Development.*



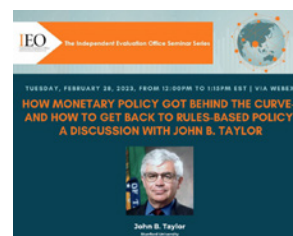
*IEO staff and former staff in a lighter moment.*

## ON THE HORIZON—IEO'S WORK PROGRAM

Following extensive consultation, the IEO has recently launched two new evaluations. It expects to complete these evaluations in 2024.

The first, an evaluation of the IMF's Exceptional Access Policy (EAP), aims to review the rationale and evolution of the EAP, its current design and adequacy, and the application of the policy, focusing on the period since 2016 when the policy was last modified. The second, a shorter evaluation of the Application of the IMF's Mandate, will assess the governance and decision-making processes for setting the Fund's work agenda, as well as decisions related to providing budgetary resources and staff expertise for new activities and to collaborating with partner agencies. It will cover the decade from 2012, when the Executive Board approved the Integrated Surveillance Decision. Draft issues papers for these two new evaluations will be posted for comments on our website after the Spring Meetings.

## PROMOTING NEW PERSPECTIVES



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 potential future IEO evaluations. Since the 2022 Annual Meetings, four webinars have taken place focusing on: the future of multilateralism, climate crisis

and countries' progress, the fight for the future of money, and rule-based monetary policy. We also launched our evaluation of IMF CD work (completed last September) with a series of outreach events in Washington, London and Brussels, as well as in-reach events aimed at staff. More seminars are planned for the coming months. If you are interested in being on our mailing list, please subscribe at <https://lp.constantcontactpages.com/su/hw1SI0X/joinieomailinglist>.

### 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.