



FOREWORD

The COVID-19 pandemic triggered an unprecedented global public health crisis, with a tragic loss of millions of lives around the world. Along with other international agencies, the IMF scrambled to respond quickly to help alleviate the potentially dire economic consequences.

This evaluation provides an early assessment of the Fund's response in the first year of the pandemic, focusing on the rapid extension of emergency financing, the reformulation of the economic outlook and policy advice, and adaptations to internal HR and budgetary practices to shift IMF resources to where they were most needed. We completed the evaluation much more quickly than previous IEO crisis evaluations to provide timely lessons on how the Fund could best prepare for future crises even if this meant we could not examine the longer-term consequences of some important strategic choices.

The evaluation finds that the Fund deserves great credit for its effective and agile response to a crisis like no other. The Fund adopted, and adapted over time, a pragmatic strategy to provide rapid financing to a broad range of countries through its existing instruments. The Fund's policy advice was bold, appropriate for the circumstances, clearly communicated, and avoided some past mistakes, while its economic assessments of the impact of the pandemic were well founded and ended up being quite accurate overall, although there were some sizeable misses at the country level. The Fund's corporate response was nimble, involving numerous HR and budgetary initiatives to support the Fund's heavy workload and the abrupt shift to remote work. Finally, Fund staff went above and beyond the call of duty to help member countries navigate the crisis.

Notwithstanding the Fund's effective response to an unprecedented crisis, the experience involved a number of strains and challenges. Emergency financing was not particularly well tailored to countries' needs or circumstances, while there were strategic differences with key partners in providing financing in some cases. The Fund's role as crisis responder required it to take on increased risks to its balance sheet, of which there was limited early analysis. Decisions on access and prior actions seemed to reflect, in a few cases, a lack of evenhandedness. Stress on staff continued at high levels as it took considerable time to shift staff resources to where they were most needed.

The report sets out two broad recommendations to help ensure that the Fund is fully prepared for dealing with future global shocks that seem likely to recur with some frequency. First, the Fund should develop a toolkit of special policies that could be quickly activated to help address the particular needs of a global crisis. Second, steps should be taken to reinforce institutional preparedness to deal with global shocks. I was pleased that the Managing Director agreed with the evaluation's overall findings and that the Executive Board broadly endorsed the recommendations. I look forward to the formulation of an implementation plan to carry them forward.