



Independent Evaluation Office  
of the International Monetary Fund

# PRESS RELEASE



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## **IEO Releases Evaluation of The IMF's Emergency Response to the Covid-19 Pandemic**

The Independent Evaluation Office (IEO) of the International Monetary Fund (IMF) released today its new evaluation of The IMF's Emergency Response to the Covid-19 Pandemic, which was discussed by the Executive Board on March 13.

This early evaluation assesses how well the Fund adapted its lending framework, its processes for formulating the economic outlook and policy advice, and its internal HR and budgetary practices to help countries during the emergency phase—January 2020 to April 2021—of an unprecedented global shock.

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 support to a broad range of countries through its existing instruments. The Fund's policy advice to a broad range of countries 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 some sizeable misses at the country level. The Fund responded nimbly with numerous HR and budgetary initiatives to support the Fund's crisis response 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 evaluation makes two high-level recommendations to help ensure that the Fund is fully prepared for dealing with future global crises:

- The Fund should develop a toolkit of special policies and procedures that could be quickly activated to help address the particular 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.

Executive Directors broadly welcomed the report and supported both recommendations. A management implementation plan will now be prepared for Board endorsement by late 2023.