



ENGAGEMENT WITH PARTNERS⁴¹

This section assesses the Fund’s framework of engagement with external partners, which resulted in Key Finding 3, summarized in Section 6.

SCOPE AND MODALITIES: A DIVERSITY OF APPROACHES

The Fund’s original 1944 Articles of Agreement already contemplated its cooperation with other international organizations, thereby enabling longstanding formal frameworks of engagement. Article X provides that “[t]he Fund shall cooperate within the terms of this Agreement with any general international organization and with public international organizations having specialized responsibilities in related fields” (IMF, 2020a). The Fund has engaged in longstanding cooperation arrangements with organizations such as the World Bank, United Nations (UN), World Trade Organization (WTO), and the Financial Stability Board (FSB). This has been carried out through formal frameworks that have ranged from concise bullet point notations to detailed agreements, yet all setting out modalities regarding the division of responsibilities of both partner organizations. Examples of policy areas included debt sustainability, financial sector assessment, financing for development, and macroeconomic aspects of trade policy. In most cases, the work in these areas was instituted prior to the evaluation period, and the associated frameworks were preceded by informal arrangements.

During the evaluation period, the Fund also engaged with other external partners in newer policy areas through informal and ad hoc arrangements.⁴² Examples of organizations with whom the Fund engaged through informal arrangements included: UN Women for work on gender mainstreaming; the Organization for Economic Co-operation and Development (OECD) and Food and Agriculture Organization (FAO) for work on climate change; and the Bank for International Settlement (BIS) on digital money. Examples of ad hoc arrangements included IMF engagement on the Multilateral Leaders Task Force on COVID-19 Vaccinations with the World Bank Group, World Health Organization (WHO), and the WTO; a food security Working Group including the FAO, World Bank, and WTO; and Executive Board meetings with the UN ECOSOC and other international organizations.

⁴¹ This section primarily draws from Abrams and Rustomjee (2024). Further evidence regarding the effectiveness of Fund engagement in newer policy areas is provided in IEO (2020b). This paper uses the term “partners” and “partnerships” as common non-legal terms to refer to external parties with whom the IMF may engage when carrying out work in connection with the application of its mandate.

⁴² See Annex 3 for more details on select framework arrangements for Fund engagement with external partners during 2012–23.

During the evaluation period, the Fund dubbed various types of engagement with external partners as “collaboration,” although this conflates terminology. The hallmark of collaboration involves working together based on shared interests to achieve shared goals that cannot be reached independently.⁴³ An external partnership that involves shared objectives is another type of collaboration. However, some Fund engagement with external partners did not meet these features and took different forms, such as (i) coordination, which in its own right is merely a mechanism or means of facilitation; (ii) cooperation, which involves an agreement to accomplish separate goals; (iii) convening, which is a means to bring actors together to act collectively; and (iv) orchestration, a type of convening where international organizations have specific goals that they accomplish through intermediaries. Staff also drew on the resources (such as through extraction of data or research) of external partners without actual engagement, which does not constitute cooperation or collaboration, as that would require some type of arrangement to work together.

Fund engagement with external partners occurred both at the high level across institutions and at the operational staff level. Engagement with external partners ranged from high-level institutional coordination or collaboration as a joint effort between the Managing Director and the head(s) of (an) other organization(s)⁴⁴ to Fund engagement at the operational staff level, including at the country or regional level and through periodic or occasional meetings. The engagements were undertaken through a wide range of forms, including coordination, cooperation, collaboration, information sharing, preparing joint analytical products, and/or participating in joint missions.

Other international organizations also sought out the Fund when carrying out their purposes, weighing on its comparative advantage on signaling and traction. Other international organizations recognized that the Fund has a preeminent comparative advantage in macroeconomic analysis and access to and traction with ministries of finance. In this respect, evidence from interviews for this evaluation, as well as previous IEO evaluations, indicate that engagement with the Fund is often essential for external stakeholders as a means for access to and traction with officials who hold the purse strings, even in the case of policies outside the Fund’s traditional remit. Interviewees underscored, however, that even while assisting external partners in this context, the Fund must strive to remain within its sphere of expertise.

Both internal and external stakeholders acknowledged the usefulness of having formal frameworks when initiating engagement with external partners in new policy areas. As reflected in interviews, surveys, and questionnaires conducted for this evaluation, formal arrangements were viewed as particularly useful in order to lay out shared objectives and establish expectations and boundaries related to the respective mandates of the Fund and partner organizations. The implications of this are twofold. First, it is essential for the Fund to foster and maintain ongoing relationships with other organizations so as to understand the boundaries of their mandates and synergies with the Fund. Second, early formal frameworks, at the start of an engagement, are preferred over informal arrangements or delayed formal frameworks, to ensure shared objectives, alignment of incentives, complementarity, a proper division of expertise, and the aim for effective outcomes. These frameworks could be designed with a degree of flexibility to address key concerns expressed by some Fund staff and Executive Directors.

⁴³ An example of collaboration is the Joint IMF–World Bank Debt Sustainability Framework developed for the shared purpose of assessing debt vulnerabilities. In this example, each institution provides data and analysis based on its own expertise, and staff produce a joint report, which is used by both institutions as input for policy advice and lending decisions, albeit executed independently.

⁴⁴ For example, in September 2023, the heads of the IMF and World Bank announced a renewed phase of collaboration premised on specialist expertise. In a joint statement issued in the run-up to the G20 Leaders’ Summit, the IMF Managing Director and newly appointed World Bank President pledged that the two organizations would collaborate more closely in the areas of climate change, debt vulnerabilities, and the digital transition. They aimed to achieve this by drawing on each organization’s respective mandate and expertise, as well as by building on their long history of joint action and collaboration frameworks, for example, in the areas of financial sector and debt sustainability assessment, and through mechanisms including the 1989 Concordat, the 2007 Joint Management Action Plan, and the creation of a Bank-Fund Climate Advisory Group.

ENGAGEMENT WITH PARTNERS: LACK OF A COHERENT FRAMEWORK

The depth of treatment of engagement with partners generally increased over time, paving the way for a more coherent framework for engagement with external partners. As evidenced by a desk analysis for this evaluation, the depth of treatment of engagement with partners generally increased over time among most of the five specific strategies, enhancing the efficiency of allocation of resources.⁴⁵ This enhanced treatment has been conducted in an ad hoc manner, as there is no consolidated management or Board-approved Fund strategy, policy, or guidance on engagement with external partners. The increased depth of treatment in newer policy areas greatly enhanced the Fund’s move towards a coherent framework for engagement with external partners as compared to existing surveillance and lending policies, which primarily relied on generic language noting that staff “could” or “should” rely on external partners, but without further explication of how to do so.

For surveillance and lending, the depth of treatment of engagement with external partners in guidance notes varied, and in some cases was inconsistent. As in previous IEO evaluations, a majority of staff survey respondents and interviewees for this evaluation believed that surveillance guidance notes were not clear about when and how to engage with external partners. For example, while the 2022 update of the Surveillance Guidance Note incorporated references to collaboration with the World Bank on newer policy issues, only in the case of inclusion and gender did it discuss collaboration with other external partners beyond the World Bank. The text continued primarily to rely on generalized statements, such as “[c]ollaboration with other IFIs, in particular the World Bank, where applicable in surveillance can maximize synergies between each institution’s areas of comparative advantage.” On lending, desk analysis conducted for this evaluation found that guidance notes for lending under the PRGT were consistent and coherent across the evaluation period, even

as Fund facilities and modalities for engagement (primarily with the World Bank) continued to shift. However, while some specific mechanisms were present, there was no consolidated policy or operational guidance regarding collaboration in the cases of GRA-supported arrangements, even while these programs may increasingly address newer policy areas.⁴⁶

The monitoring mechanisms related to engagement with external partners were mixed. For management and staff, while existing Fund monitoring mechanisms potentially allow for monitoring engagement, there is scope for enhancing their use. There is evidence that departmental accountability frameworks were used by staff in some departments to highlight intended objectives related to collaboration and coordination with external partners, including in the case of newer policy areas. On the other hand, IEO (2020b) evidence and staff feedback during this assessment indicated that there was little SPR review regarding collaboration in the context of surveillance. Despite the requirement to provide information in staff reports regarding engagement with other organizations, Executive Directors continued to lack detailed information in the context of surveillance regarding the extent to which, and how, the Fund relies on engagement with external partners in newer policy areas. Many Executive Directors believed it would be appropriate for the Board to be more involved in monitoring Fund engagement with external partners.

Real-time monitoring of Fund conditionality design based on input from external partners was discontinued. While there is no cross-conditionality in IMF programs, when designing conditionality in a policy area outside the traditional core, the Fund needs to rely on other organizations with sectoral or thematic expertise. The capacity to track which organizations assisted the Fund in designing conditionality or responsible lead agency for policies in shared or newer policy areas that featured in Fund-supported programs was reduced over the evaluation period and has since been discontinued. The Fund used to

⁴⁵ The analysis examined the extent to which each strategy incorporated a discussion of engagement with other organizations across six dimensions corresponding to the standard OECD-DAC evaluation criteria, with each strategy assigned a depth rating. The Gender Mainstreaming Strategy was rated “high” and the Climate Strategy was rated “substantial.” For a detailed assessment of depth of treatment of engagement with partners, see Abrams and Rustomjee (2024).

⁴⁶ Two specific mechanisms include the principles for IMF collaboration with RFAs and the coordination framework between the IMF and the World Bank in place at the time the RST was established. However, they do not apply in the case of all GRA lending across the membership.

have the capacity to efficiently and systematically report this information through the use of a dedicated field in the Monitoring of Fund Arrangements (MONA) database. As discussed in the IEO evaluation update on Fund structural conditionality (IEO, 2018b), the field was rarely populated and, during a MONA revamp pilot project, was made optional. Since then, the field has been removed from the template.

There is also no institutional self-evaluation framework for engagement with external partners. Self-evaluation of engagement with external partners is in place only for the Fund's CD work. There has never been a comprehensive review of Fund engagement with other organizations, nor has there been a review of Fund–World Bank collaboration since 2010.