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BACKGROUND PAPER

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Toward an IMF Framework for Engagement with Partners

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ABBREVIATIONS

BIS	Bank for International Settlements
BRICS	Brazil, Russia, India, China, South Africa
CCPA	Climate Change Policy Assessment
ECOSOC	UN Economic and Social Council
EDD	Economic Development Document
EUR	European Department (IMF)
FATF	Financial Action Task Force
FAO	Food and Agriculture Organization (of the UN)
FCS	fragile and conflict-affected situation
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSRB	FATF-Style Regional Bodies
G20	Group of Twenty
IAG	Interagency Group on Economics and Financial Statistics
ISD	Integrated Surveillance Decision
ILO	International Labour Organization (of the UN)
LIC	low-income country
MDB	Multilateral Development Bank
MIP	Management Implementation Plan
MONA	Monitoring of Fund Arrangements
OECD	Organisation for Economic Co-operation and Development
RFA	Regional Financing Arrangement
RST	Resilience and Sustainability Trust
SPR	Strategy, Policy, and Review Department (IMF)
UN	United Nations
WTO	World Trade Organization

EXECUTIVE SUMMARY

This background paper has been prepared in support of the 2024 IEO Evaluation on The Evolving Application of the IMF's Mandate. It focuses on an examination of the IMF's engagement with other organizations in a number of newer policy areas following the adoption of the IMF's Integrated Surveillance Decision (ISD) in 2012 through 2023

Scope and Modalities for Engagement with Partners. During the evaluation period, IMF Management, staff, and the Executive Board engaged with numerous key partner organizations in policy areas outside of the organization's traditional core (i.e., fiscal, monetary, exchange rate and financial policies). This engagement took on distinct forms, including orchestration and convening at the institutional level as well as coordination, cooperation and collaboration at both the institutional and operational staff levels. Engagement with partners was undertaken through various types of arrangement modalities. Engagement on policy issues where IMF work or relationships was longstanding was undertaken through formal frameworks. In most cases, this work was already mainstreamed in IMF policy and operations in support of the organization's traditional core prior to the evaluation period. Engagement in newer policy areas, and at times for areas related to the IMF's traditional core, was undertaken through informal arrangements. Engagement with partners was also ad hoc. There was widespread acknowledgement both within the IMF and across a range of external stakeholders that it would be useful to have formal engagement frameworks in place when initiating engagements with other organizations in newer policy areas in order to lay out shared objectives and establish expectations and boundaries related to respective mandates.

There is no consolidated management or Board-approved IMF strategy, policy, or guidance on engagement with external partners. This carries implications for the current and future work agenda, particularly considering the proliferation of partners and work in newer policy areas. Ad hoc strategies for newer policy areas adopted in the latter part of the evaluation period as well as respective associated guidance notes, where they existed, increased in depth of treatment over time relative to engagement with partners. This greatly enhanced the IMF's move to a coherent framework for engagement with partners as compared to existing surveillance and lending policies which primarily relied on generic language. The depth of treatment in guidance notes differed for surveillance and lending, while a majority of staff survey respondents and interviewees for this assessment still believed, as in previous IEO evaluations, that the guidance note for surveillance was not clear regarding whether and in what ways to engage with partners. Guidance notes for PRGT-supported lending were consistent and coherent across the evaluation period even as IMF facilities and modalities for engagement (primarily with the World Bank) continued to shift. There was no overall guidance on engagement with partners for GRA-supported lending.

The efficacy of mechanisms for monitoring engagement with partners was mixed and there was no comprehensive institutional self-evaluation. The strongest monitoring element in place were departmental accountability frameworks through which management could

monitor objectives related to engagement with partners and establish linkages with institutional objectives. At the staff level, it is too early to assess the implications for coherence that have arisen from the shift from centralized to decentralized departmental review of engagement with partners as enabled in newer policy issues strategies. The oversight capacity of the Executive Board continued to be hampered by lack of real-time bilateral and cross-country information on engagement with partners in the context of surveillance and lending, while the majority of Executive Directors believed that it would be appropriate for the Board to be more involved in oversight in this regard. There was no institutional self-evaluation in place for engagement with partners other than for capacity development.

Next Steps. While elements of a coherent approach are in place, there is currently not a comprehensive institutional approach for IMF engagement with partners. The IMF has in place nascent elements of an institutional framework for engagement with partners upon which it can build a coherent and comprehensive approach. Going forward, the organization could benefit from adopting a Statement of Principles for Engagement with Partners, considering how to strengthen the monitoring of the engagement, and establishing an institutional periodic evaluation of it. These steps could help inform decision-making, mitigate risks, and greatly contribute to the effectiveness, accountability, and legitimacy of the IMF, particularly as the application of its mandate continues to evolve in response to the needs of the membership.

I. INTRODUCTION

1. **This background paper supports the 2024 IEO Evaluation on The Evolving Application of the IMF's Mandate**. It focuses on the period following the adoption of the IMF's Integrated Surveillance Decision (ISD) in 2012 through 2023.[1, 2] The scope of this paper includes IMF engagement with external partners in areas beyond the IMF's monetary, exchange rate, fiscal, and financial sector policies (i.e., traditional core), such as inclusion, labor, social protection/social spending, poverty reduction, macrostructural reforms, gender, and climate change. The paper will not focus on areas that are covered by other background papers prepared for this evaluation on governance and anti-corruption and financial surveillance, or on concepts at the IMF such as macrocriticality.[3] It will, however, reference engagement with partners in these areas or as relate to these concepts. It will also refer to periods prior to the ISD for learning and comparative purposes.

2. **The paper considers the extent to which a coherent framework for IMF engagement with partners[4] was in place during the evaluation period**. It analyzes IMF arrangements, policies, operational guidance to staff, and oversight and self-evaluation modalities, or the lack thereof, related to engaging with partners in select areas beyond the IMF's traditional core during the evaluation period. It will also offer proposals with an eye towards future IMF engagement with external partners particularly when applying its mandate in new or evolving policy areas.

3. **The analysis focuses on the depth of engagement frameworks**. It will not assess the effectiveness of partnerships or their outcomes. The paper will, however, reference previous IEO assessments on the effectiveness of engagement with partners in numerous areas during the evaluation period. This background paper may also serve as an IEO input for the anticipated 2025 IMF periodic policy review of the effectiveness of IMF collaboration with the World Bank and other international financial institutions and development and finance partners.

4. **The paper draws on several sources of information**. The paper draws on analysis of historical IMF internal and published documents; external documents; qualitative and quantitative desk analysis; interviews of IMF staff, Offices of Executive Directors, external partner organizations, academia, think tanks, and civil society; and surveys of IMF staff and member country authorities conducted in support of the IEO Evaluation on The Evolving Application of the IMF's Mandate. It also draws on previous IEO evaluations where relevant, in particular as relates to the boundaries of the IMF's mandate and engagement with external partners.

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[1] Decision on Bilateral and Multilateral Surveillance (Decision No. 15203-(12/72)), July 18, 2012.

[2] For a discussion on the ISD and the application of the IMF's mandate, see Bossone (2024).

[3] See, respectively, Levonian (2024); Towe (2024); and Jannils and Wojnilower (2024).

[4] 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 its work. For the purposes of this paper, "partners" refers primarily to other international organizations and development and finance actors. The paper also briefly mentions civil society organizations.

5. **Structure of the paper**. Following the introduction, Section II provides context on the motivating rationale for IMF engagement with external partners including a review of salient terminology. Section III discusses select external partnerships during the evaluation period, including the nature of engagement relative to the IMF's mandate and existing arrangements. Section IV discusses IMF strategies, policies, and operational guidance to staff for engaging with external partners and examines views related to developing frameworks for engagement with partners in new or evolving policy areas. Section V discusses and analyzes IMF monitoring and evaluation frameworks for external partnerships. Section VI presents conclusions and proposed next steps.

II. SETTING THE CONTEXT

6. **The IEO evaluation of the evolving application of the IMF's mandate comes at a time of great consequence for global macroeconomic stability.** Prior to and during the evaluation period, there were renewed calls by various member countries and other stakeholders for the reform of international financial institutions (IFIs) to make them more fit-for-purpose in responding to global crises.[5] The world also witnessed an incipient reshaping of the global order with the admission of additional country members to the BRICS grouping and the admission of the African Union to the G20. At the same time, there was considerable public discourse worldwide about possible geo-economic fragmentation. These significant shifts in the global macroeconomic terrain are bound to have implications for the evolving application of the IMF's mandate and its engagement with external partners into the future. As a first step in setting the context for the assessment, the remainder of this section provides background regarding the need for the IMF to engage with external partners.

A. The IMF's Mandate: Why Does the IMF Engage with External Partners?

7. **Since its founding in 1944, the IMF has had the sole charge among international organizations to promote the stability of the international monetary system.** The IMF Articles of Agreement ("the Articles") lay out specific powers and purposes for the institution, the first of which calls for the Fund to be "a permanent institution which provides the machinery for consultation and collaboration on international monetary problems" (IMF, 2020) (see Appendix I for the full list). These powers and purposes, often referred to as encompassing the IMF's mandate, became focused around three policy areas: exchange rate stability, monetary stability, and fiscal stability. As of the 2007 Decision on Bilateral Surveillance, these areas were formally complemented by a fourth policy area, financial sector policies. Over the decades, the application

[5] See, for example, Bradlow (2023); the G20 Independent Panel for Review of Multilateral Development Banks (MDBs) Capital Adequacy Framework; Yellen (2023). As relates specifically to the role of IFIs in response to climate change, see for example The 2020 Bridgetown Initiative and V20 Accra-Marrakech-Agenda.

of the Fund's mandate in these areas evolved to include three operational functions: surveillance, lending, and capacity development (CD) (i.e., training and technical assistance).[6]

8. **From its inception, the Articles enabled the institution to consult and collaborate with other international organizations in carrying out its purposes.** 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, 2020). Further, IMF strategies for the newer issue areas noted above as well as other IMF policies and operational guidance recognize that in order to engage in issue areas outside of its traditional core, the IMF will need to rely on other external partners with expertise or comparative advantage in those respective areas. Analogously, it is commonly acknowledged that macroeconomic analysis is considered the IMF's comparative advantage.

9. **The IMF's preeminent comparative advantage in macroeconomic analysis and access to and traction with ministries of finance have also made it sought-out by other organizations when carrying out their purposes.** A key counterfactual argument evinced in previous IEO evaluations still seemed to hold across a broad range of stakeholder interviewee groupings for this assessment, i.e., that IMF engagement is often essential for the provision of analytical inputs needed by other organizations for their work or as a means for access to and traction with officials who hold the purse strings, even in the case of policies outside the IMF's traditional core. Interviewees underscored, however, that even while engaging in this context, the IMF must strive to remain within its sphere of expertise. Further, some interviewees also noted that it is understandable that the application of the IMF's mandate and its engagement with other organizations may need to shift with the emergence of new policy issues and the shifting world economic order.

10. **Since the 2012 ISD, the IMF has operationalized work in a number of policy areas, including governance, social spending, inequality, climate change, digital money and assets, and gender.** IMF work in some of these areas (e.g., governance; aspects of social spending such as pensions and social protection floors; labor market reforms) pre-dated the 2012 ISD, while work in other of these areas was initiated after 2012. Increasingly over the evaluation period, this newer policy area work was viewed by many key stakeholders at the IMF as being applied in the context of its mandate. According to this view, work in these areas does not in and of itself suggest that the IMF's mandate has changed or expanded in a legal sense. Rather, it "reflects continuing evolution in the economic understanding of what is critical for the achievement of that mandate" (Georgieva and Weeks-Brown, 2023).[7]

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[6] For a history of the evolution of the application of the Fund's mandate in each of these four areas, see Boughton (2024).

[7] For an assessment of the extent to which a common understanding exists within and outside the IMF on the concept and application of the concept of macrocriticality, see Jannils and Wojnilower (2024).

11. **During the evaluation period, the IMF was committed to collaboration with external partners as a means to achieve its mandate and to assist the membership.** The Managing Director's October 2023 Global Policy Agenda (IMF, 2023) noted that "[g]iven the scale of challenges facing our world, this ability to forge consensus on complex issues is ever more critical [and] also requires close collaboration with other international institutions." In that vein, the IMF was "keen to adapt to remain a strong institution not just for today but also for tomorrow and look[ed] forward to continued strong engagement of our dedicated staff with our members, stakeholders, and civil society to jointly shape our future." The remainder of this assessment considers the extent to which an overarching coherent IMF framework was in place to enable effective engagement with partners during the evaluation period. First, we provide a brief review of salient terminology.

B. Working with External Partners: Theory Versus Practice

12. **Over the years, the IMF has coined many types of engagement with external partners as collaboration, although this conflates terminology.** As noted by Gutner and Heltberg (2023), collaboration involves working together based on shared interests to achieve shared goals that cannot be reached independently.[8] An example of collaboration is the Joint IMF-World Bank Debt Sustainability Framework (DSF) developed for the shared purpose of assessing debt vulnerabilities. In this example, ideally each institution provides data and analysis drawing on their expertise and staff produce a joint report which is used as inputs for policy advice and lending decisions by arms of both institutions, albeit through decisions which are taken independently. Partnerships which involve shared objectives are also another type of collaboration.

13. **The most recent literature explicates numerous modalities through which international organizations work together.** These include coordination, cooperation, collaboration, partnership, convening, and orchestration, among others. Table 1 provides a distinct definition of each of these terms. It also provides generalized examples along with examples specifically applicable in the case of the IMF and its external partners during the evaluation period.

14. **Some IMF engagement with external partners did not involve directly working together or having shared objectives, the hallmarks of collaboration.** At times, engagement took the form of coordination. Coordination is a mechanism in its own right or that may be used in association with increasingly deeper degrees of engagement such as cooperation and collaboration. Convening and orchestration may vary in depth of engagement depending on the circumstances. It should also be noted that drawing on the resources (such as through extraction of data or research) of an external partner without actual engagement is not cooperation or collaboration, which require some type of arrangement to work together be it formal or informal.

[8] Gutner and Heltberg note that collaboration can include working together through shared resources, a shared structure, and with shared accountability.

Table 1. Modalities for "Working Together"

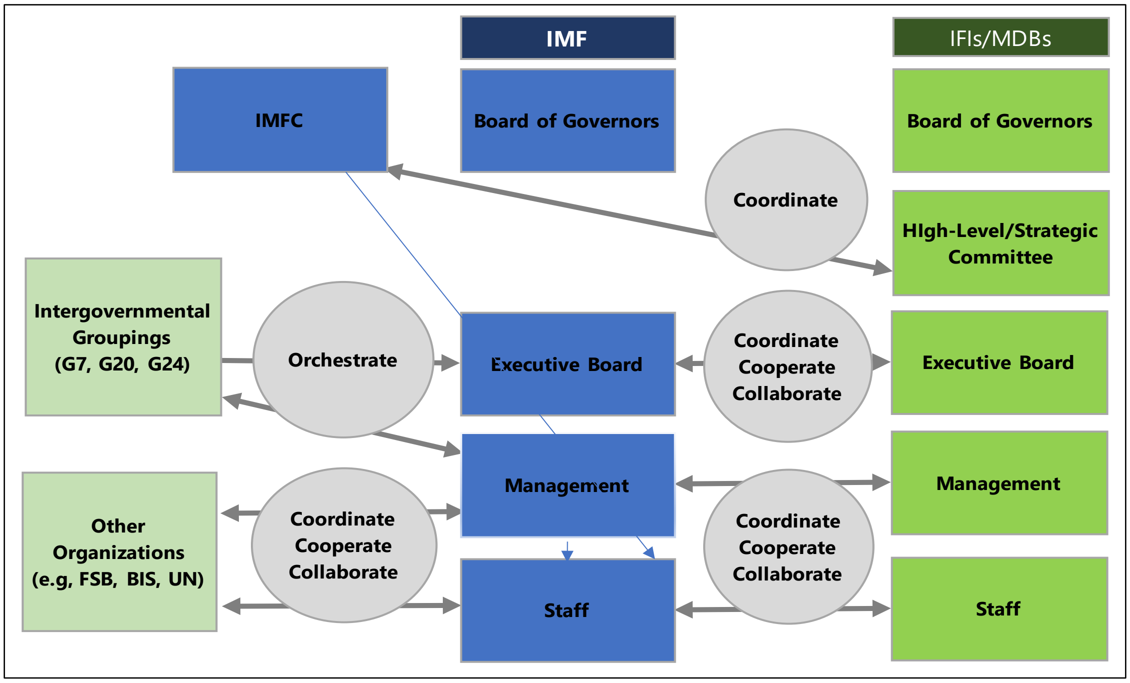
Term	Definition	Example
Coordination	Arrangements or practices to facilitate efforts to complete work. Goals may be individual or shared.	Scheduling a press conference. Joint Statement by the Heads of the FAO, IMF, WBG, WFP and WTO on Global Food Security and Nutrition Crisis.
Cooperation	Formal or informal agreements to assist others, to accomplish separate goals.	IMF-World Bank Information Sharing Agreement.
Collaboration	Working together based on shared interests to achieve shared goals that cannot be reached independently.	A joint team or initiative, e.g., Co-authoring analytical outputs. Joint IMF-World Bank Debt Sustainability Framework.
Partnership (A type of collaboration)	An arrangement for collective action between autonomous organizations that typically involves common objectives. May involve dedicated funding.	Formal partnership programs, e.g., The SDGs. Bilateral or multi-donor trust funds, such as used for IMF capacity development. IMF and MLT partners meet with other high-level organizations on access to COVID-19 vaccines.
Convening	Bringing actors together to act collectively.	A series of international events designed to garner support for a new initiative to address a common problem, e.g., Meetings convened by the IMF MD. IMF Executive Board Committee on Liaison meetings with UN ECOSOC.
Orchestration (A type of convening)	An activity where international organizations have a specific goal or activity they accomplish through intermediaries	International organization or intergovernmental grouping empowers an intermediary that launches an initiative, e.g., IMF spearheads a multilateral initiative across the membership. IMF and the MLT advocate across countries. G20 requests the IMF to work with other organizations to produce a joint paper

Source: Authors; adapted from Gutner and Heltberg (2023).
Notes: FAO=Food and Agriculture Organization (UN); WBG=World Bank Group; WFP=World Food Programme (UN); SDGs=(UN) Sustainable Development Goals; WTO=World Trade Organization; MD= IMF Managing Director; UN ECOSOC=United Nations Economic and Social Council; MLT=Multilateral Leaders Task Force.

15. **IMF engagement with partners occurred at the inter-institutional level through various channels including management, the heads of other organizations, or intergovernmental groupings (see Figure 1).** In some instances, institutional level coordination or collaboration was a joint effort of the Managing Director and the head(s) of (an)other organization(s). Examples included coordinating a joint statement of organization heads or partnering to advocate for access to COVID-19 vaccines. Other examples included established agreements to collaborate, such as in the context of the IMF-World Bank Debt Sustainability Framework (DSF). In some instances, high-level inter-institutional engagement took the form of orchestration by the IMF to mobilize the membership through the International Monetary and Financial Committee (IMFC) or intergovernmental groupings, or vice versa, by these groupings instructing (i.e., orchestrating) the IMF to work with another/other organization(s), for example to produce a joint report, then undertaken by respective staffs as instructed by their management

principal.[9] Other examples of high-level inter-institutional collaboration were meetings between the IMF Executive Board Committee on Liaison and the United Nations Economic and Social Council (UNECOSOC) and other organizations (not depicted) or ad hoc joint meetings of the Executive Boards of the IMF and World Bank.

Figure 1. Stylized View of IMF Engagement with Partners



Source: IEO.
Notes: IFI=International Financial Institutions; MDBs=Multilateral Development Banks; IMFC=International Monetary and Financial Committee; FSB=Financial Stability Board; BIS=Bank for International Settlements; UN=United Nations.

16. **IMF engagement with partners also occurred at the operational staff level.** Most often, although not exclusively, this took the form of coordination, cooperation, or collaboration (including partnerships) at the regional or country level. As discussed in the next section, beyond relying on the data or research of another organization, IMF staff engaged with other international organization or regional organization staff primarily through the following channels: periodic or occasional meetings/information sharing; preparing joint analytical outputs; and participating in joint missions.

III. Engagement with External Partners

17. **During the evaluation period, the IMF engaged with a number of key partner organizations in newer policy areas.** This section will take a closer look at the nature of these engagements, including a brief overview of the types of existing frameworks or agreements that

[9] The IMF at times may be an orchestrator while at other times it may be an intermediary acting on behalf of an orchestrator. For more on these roles among international organization actors, see Abbott and others (2015). Engagement may also take the form of different or multiple modalities depending on the nature of the activity.

may have been in place during the evaluation period for carrying out this work. The IMF and staff orchestrated and convened as well as coordinated, cooperated, or collaborated with numerous organizations and intergovernmental groupings over the period both within and beyond its traditional core. It should therefore be noted that this examination is not exhaustive.

A. Scope and Types of IMF Engagement

18. **In an IEO survey of staff for the evaluation on The Evolving Application of the IMF's Mandate, respondents reported widespread engagement with multiple external partners.**[10] As shown in Figure 2, the share of IMF staff working together at some point during the evaluation period with the organizations noted was highest with the World Bank, MDBs, regional banks/currency unions, and the OECD (i.e., the top tier). Working together with standards setters, UN specialized agencies, and the WTO featured among the second tier. Working together with Financial Action Task Force (FATF) and Regional Financing Arrangements (RFAs) featured in the third tier.[11] Longstanding ways in which IMF staff have worked together with staff from other organizations that were measured in this and prior IEO evaluations include periodic or occasional meetings/information sharing, preparing joint analytical outputs, and participating in joint missions. A further illustrative breakdown of engagement through these channels is in the discussion below.

19. **In the case of some organizations, a large share of IMF engagement took the form of relying on data or research without directly working with counterpart staff.** Nine percent of staff survey respondents who had reported engagement with the World Bank reported solely relying on data or research as distinct from having interacted with staff counterparts. This figure rose, respectively, to 19 percent of engagement with MDBs; 23 percent of engagement with regional development banks; approximately 32 percent of engagement with UN Women and RFAs; 48 percent of engagement with the OECD and Financial Stability Board (FSB); 55 percent of engagement with the International Labour Organization (ILO); 59 percent of engagement with the Bank for International Settlements (BIS) and the WTO; and 67 percent of engagement with the FATF.

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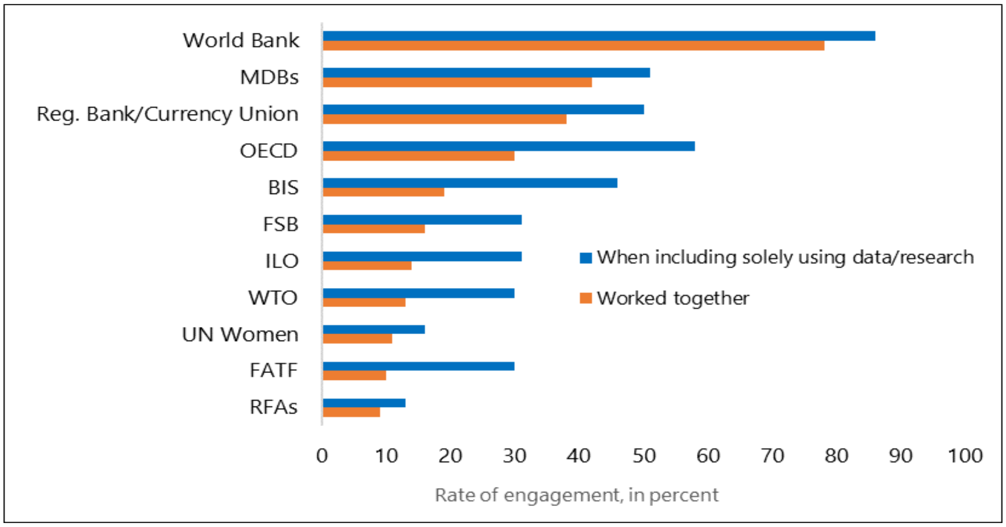
[10] Ninety-nine percent of IEO staff survey respondents who had worked on surveillance, lending, or capacity development (CD) reported that they had worked together with staff and/or relied on data and resources from one or more of the noted organizations at some point during the evaluation period. The response rate for the IEO survey was 17.8 percent, corresponding to a total of 441 respondents. This rate is similar to previous IEO surveys. The findings of the survey are further corroborated by in-depth interviews with staff.

[11] These results are similar with regard to the World Bank and fairly similar with regard to MDBs per IEO (2017), wherein 80 percent IEO staff survey respondents reported they had worked together with World Bank staff on social protection over the respective evaluation period, while 40 percent of IEO (2017) staff survey respondents reported minimal to no interaction with staff from regional institutions (including MDBs). In comparison, the 2023 results with regard to the World Bank are somewhat higher than per IEO (2020) wherein two-thirds of IMF staff who had participated in the newer issues pilots (on inequality, climate change, gender, or macrostructural issues) reportedly worked together with staff counterparts.

Figure 2. IMF Staff Engagement with External Partners
(Post-ISD 2012–23)



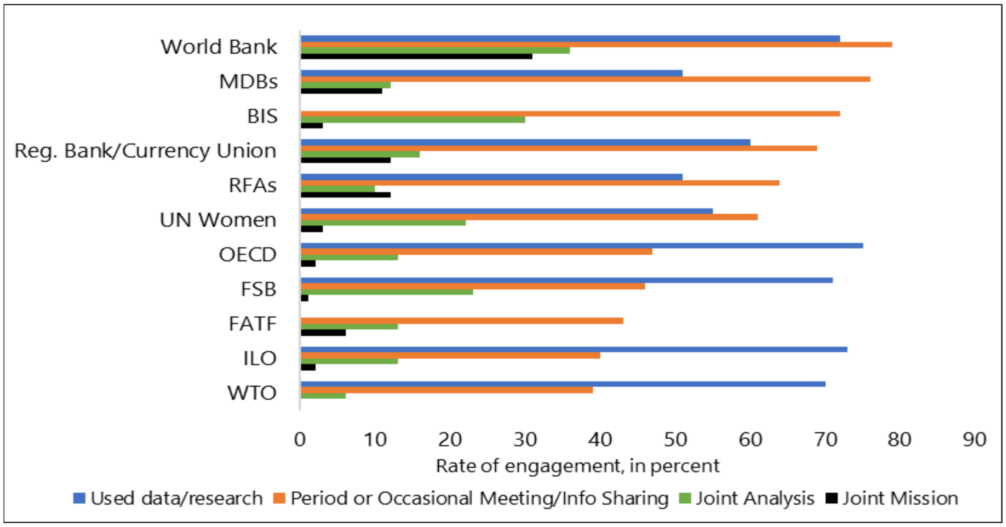
Source: Authors. Data drawn from IEO Staff Survey on The Evolving Application of the IMF's Mandate, October 24, 2023.
Notes: Rate of engagement represents the share of respondents who reported engagement with the organizations noted and in the manner noted at any point during the period.
ISD=Integrated Surveillance Decision; MDBs=Multilateral Development Banks; Reg.=Region Bank; OECD=Organisation for Economic Co-operation and Development; BIS=Bank for International Settlements; FSB=Financial Stability Board; ILO=International Labour Organization; WTO=World Trade Organization; FATF=Financial Action Task Force; RFAs=Regional Financing Arrangements.

20. **The highest reported type of IMF staff engagement with external partners during the evaluation period was periodic or occasional meetings or information sharing.** Figure 3 illustrates the reported rate of engagement disaggregated by organization and type of engagement, respectively. While these results do not inform an assessment of the quality of engagement, they are an indication of the extent to which IMF staff reportedly routinely interacted with counterparts from other organizations in order to carry out the work of the IMF or contribute to the work of a partner organization. A number of findings are noteworthy, including the relatively low rate of joint missions, the varying rate of joint analytical products, and the high reliance on data from some partner organizations.

21. **The low level of joint missions during the evaluation period suggests a systemic shortcoming in the IMF's approach to this type of engagement with certain external partners.** Country visits by staff as a means to carry out respective mandates or purposes are not a common practice of a number of IMF partner organizations. However, staff missions (whether in person or, in the post-COVID-19 pandemic era, virtual) to member countries or a local presence on the ground are common practice in the case of the IMF, the World Bank, MDBs, RDBs, and some UN specialized agencies and can benefit the IMF when working on newer policy areas. As shown in Figure 3, the reported rate of joint missions between the IMF and this group of organizations was relatively low. These results corroborate interview evidence and findings from multiple previous IEO evaluations wherein IMF Executive Directors and country authority

interviewees opined about the lack of harmonization of visits by this group of organizations, particularly to small developing states, low-income countries, and other member countries with limited administrative capacity.

Figure 3. IMF Staff Engagement with External Partners, by Type
(Post-ISD 2012–23)



Source: Authors. Raw data drawn from IEO Staff Survey on The Evolving Application of the IMF's Mandate, October 24, 2023.
Notes: Rate of engagement represents the share of respondents who reported engagement with the organizations noted and in the manner noted at any point during the period.
ISD=Integrated Surveillance Decision; MDBs=Multilateral Development Banks; BIS=Bank for International Settlements; Reg.=Regional Bank; RFAs=Regional Financing Arrangements; OECD=Organisation for Economic Co-operation and Development; FSB=Financial Stability Board; FATF=Financial Action Task Force; ILO=International Labour Organization; WTO=World Trade Organization.

22. **The frequency of joint analytical outputs varied greatly by organization and in some cases was very low.** Joint analytical outputs of the World Bank, MDBs, and UN specialized agencies most often were a result of self-directed cooperation or collaboration in order to fulfill organizational mandates or objectives through existing joint frameworks in shared policy areas (such as member country debt sustainability or financial sector stability assessments), to inform IMF bilateral surveillance (such as through Selected Issues Papers), to inform lending decisions, or in the context of other initiatives such as joint pilot projects (the latter which featured in newer policy issue areas of IMF engagement during the latter part of the evaluation period) (see IEO, 2020). On the other hand, joint analytical outputs of the IMF and other organizations such as the FSB, BIS and the OECD often were orchestrated by the G20 or, to a lesser extent, by the IMFC.[12] As shown in Figure 3, the reported rate of joint analysis was most frequent with the World Bank (36 percent), the BIS (30 percent), the FSB (23 percent), and UN Women (22 percent) as compared to other noted organizations. Notably, the respective rate for MDBs was 12 percent.

[12] A desk review of IMFC and G20 Communiques between 2000 and 2022 undertaken for this assessment shows that in many cases the delegation directive made note of respective comparative advantage or expertise of organizations, although in some cases it did not.

23. **While not itself cooperation, coordination, or collaboration, the Fund's high frequency of reliance on data or research from partner organizations may have been appropriate.** As will be discussed below, an agreement between the IMF and UN provides for the standing of statistical data by party of expertise. Further, numerous IMF policies and operational guidelines call for the use of data or indicators from other partners in the event the subject matter is beyond the expertise of the IMF. The use of third-party indicators, however, was signaled by IMF staff, Executive Directors, and prior IEO interviewees as presenting risks to the institution. These risks included lack of reliability and transparency of the data and indicators.[13]

B. Engagement Frameworks

24. **IMF engagement with external partners was channeled through formal frameworks, informal arrangements, ad hoc initiatives, or a combination thereof.** This section will first focus on the combination of frameworks approach between the IMF and World Bank. It will then provide illustrative examples of engagements pursued through formal, informal and ad hoc mechanisms with other select partners and examine how they relate to the evolving application of the IMF's mandate.[14] As shown in Table 2, in some cases the IMF and a partner organization may have had a mutually exclusive formal, informal, or ad hoc arrangement. In other cases, the IMF and a partner organization may have had simultaneous types of arrangements. This section presents illustrative rather than mutually exclusive examples of the types of engagement arrangements between the IMF and other select organizations.

A Combination of Frameworks Approach: World Bank

25. **The IMF and World Bank have long engaged in shared policy areas within their respective mandates through formal frameworks.[15]** As noted in IEO (2020), on a number of thematic and policy areas which are shared across the mandates of Bank and Fund—for example, financial sector, debt, and expenditure management—specific dedicated frameworks and

[13] A case in point is the removal of the World Bank's Doing Business Indicators from the IMF's approved list of third-party indicators. For further discussion on the use of third-party indicators during the evaluation period, see Levonian (2024).

[14] For a summary of institutional-level frameworks for engagement between the IMF and select multilateral partners and other collaboration initiatives during the evaluation period, see Abrams (2020). The paper includes frameworks for IMF engagement with the World Bank, Multilateral Development Banks (MDBs), the World Trade Organization (WTO), the Financial Stability Board (FSB), and the Financial Action Task Force (FATF) and notes interaction with BCBS, IAIS, and IOSCO observers. Specific initiatives in the following areas are included: climate change, debt, financial sector, governance, infrastructure and public investment, poverty reduction and growth, sustainable development, and tax. The paper also includes reporting requirements for IMF surveillance and lending as of 2020.

[15] Examples of umbrella frameworks between the IMF and World Bank include the 1989 Concordat and 2007 Joint Management Action Plan (JMAP). The Concordat outlines the areas of expertise for each organization. It includes, inter alia, a mechanism for handling differences of views that may emerge between the staffs as well as upholds the independence of respective institutional decisions. See Appendix II for the Concordat. For a historical analysis, see Gutner (2020).

modalities for engagement were introduced prior to the evaluation period. The dedicated formal frameworks for this work usually delineated responsibilities and processes for agreeing on joint reports.[16]

Table 2. Matrix of Select Framework Arrangements for IMF Engagement with Partners

Type of Framework	World Bank	UN and Specialized Agencies; WTO; OECD	Standards Setters	Others
Formal frameworks	*Umbrella:* Concordat; JMAP (both for EM/LIC only; all country operations) *Policy issue areas:* *Debt Sustainability Framework (LIC only; EM is IMF-only); *FSAP (for EM/LIC)	*Umbrella:* *SDGs/Financing for Development (ECOSOC) *Trade policy (WTO)	*Umbrella:* *Financial stability (IMF-FSF Joint Memo; IMF membership in the FSB)	*Umbrella:* *G20 Principles for Effective Coordination Between the IMF and MDBs *Framework for Collaboration Between RFAs and the IMF
Informal arrangements	*Social protection/social spending *Climate change *Gender *Labor reforms *Macrostructural issues *Public investment	*Social protection/social spending (ILO) *Gender (UN Women) *Statistical indicators (FAO)	*Digital money (IMF-BIS) *Governance and Anti-Corruption (IMF-FATF)	
	*Tax (IMF/World Bank/OECD Platform for Collaboration on Tax)			
Ad hoc arrangements/ initiatives	*IMF-World Bank Debt Service Suspension Initiative			
	*COVID-19 Vaccinations (Multileaders Task Force: IMF, WBG, WHO, WTO)			
	*Food insecurity (IMF-FAO/WBG/WTO Working Group); (IMF-FAO/WBG/WTO/WFP Joint Statement)			

Source: Authors.
Notes: BIS=Bank for International Settlements; ECOSOC=UN Economic and Social Council; EM=emerging market economy; FAO=Food and Agriculture Organization (UN); FATF=Financial Action Task Force; FSAP=Financial Stability Assessment Program; FSB=Financial Stability Board; FSF=Financial Stability Forum (precursor to the FSB); ILO=International Labour Organization (UN); JMAP=Joint Management Action Plan; LIC=low income country; MDB=Multilateral Development Bank; OECD=Organisation for Economic Co-operation and Development; RFA=Regional Financing Arrangement; UN=United Nations; WFP=World Food Programme (UN); WHO=World Health Organization (UN); WTO=World Trade Organization

[16] In February 2022, a long-awaited guidance note on information sharing between the IMF and World Bank staffs was published. Information sharing previously was guided by the 1989 Concordat and other frameworks, such as the JMAP and respective organization security frameworks. However, knowledge exchange between the IMF and the World Bank was complicated as of 2014 when the Bank decided to curtail the access of Fund staff to the Bank's intranet following a data breach of the IMF's website (IEO, 2020). The guidance note discusses how the staffs of the two institutions are expected to exchange information related to country operations, technical assistance, and policy work. This includes active participation, where possible, in relevant internal review processes and key meetings at the other institution, routine sharing of country data, systematic upstream exchange of views, cross-mission participation, easy access to technical assistance reports prepared by the other institution, and sharing of rosters of long-term experts (IMF, 2022a). While dedicated to the IMF-World Bank context, the note also includes reference to the G20 Principles for Effective Coordination Between the IMF and MDBs.

26. **The IMF and the World Bank engaged in a number of newer policy areas through informal arrangements or in an ad hoc manner.**[17] There was not a dedicated formal agreement between the IMF and the World Bank in areas such as social protection/social spending, inequality, gender, and other macrostructural issues during the evaluation period.[18] Further, there was no overall management-level discussion of collaboration with the World Bank (and other partners) on the country pilots in these newer areas which might have aimed at reaching high-level agreement on goals and responsibilities (IEO, 2020). In the case of climate change, likewise there was no dedicated formal agreement during the evaluation period, even while the IMF and World Bank staffs engaged in a joint analytical initiative known as the Climate Change Policy Assessment (CCPA).[19] Since 2020, both institutions also worked closely in an ad hoc manner in a number of ways to respond to the COVID-19 pandemic. This included, for example, the leadership of the IMF MD in collaboration with the President of the World Bank to advocate for the approval and extension of the Debt Service Suspension Initiative and efforts by the MD in collaboration with the Multilateral Leaders Taskforce to ensure access to COVID-19 vaccines, testing, and therapeutics for developing countries.[20]

27. **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 MD 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

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[17] For an assessment of the effectiveness of IMF engagement with partners on social protection during the evaluation period, including the World Bank, UNICEF, and the ILO, see IEO (2017) and Zhou (2017). For an assessment of the effectiveness of collaboration between the IMF and World Bank (and in some cases, other partners) on the IMF pilot project areas noted here, see Stedman and others (2020).

[18] In principle, any engagement or joint work would have been guided by the Concordat and, for work related to emerging market/middle-income or low-income member countries, the JMAP. As initially conceived, however, the JMAP covered country work and only select thematic work including the financial and fiscal sectors and technical assistance. This was to be applied through the primacy of country teams, while subsequent newer thematic areas were not included. See Appendix II for the Concordat.

[19] For an assessment of the CCPA experience through November 2020, see IEO (2020) and Stedman and others (2020). At the time, IEO (2020) concluded that climate change appeared to be an issue particularly suited to a formal framework, given the IMF's growing attention in this area and the Bank's deep and complementary expertise; and in discussing the evaluation report, Executive Directors agreed in this respect. Soon thereafter, however, the World Bank unilaterally withdrew from its participation in the CCPA, opting to conduct its own assessment through a different diagnostic tool. In response, the IMF began piloting a new diagnostic, the Climate Macroeconomic Assessment Program (CMAP). While distinct, this experience harkens back to the World Bank's unilateral withdrawal from the Poverty Reduction and Growth Strategy Paper process in 2014, after which the IMF had to quickly adjust its policy and operational procedures (see IEO, 2014). On the CCPA experience, it is also noteworthy as highlighted in Stedman and others (2020) that there was clearly a different view regarding the nature of the CCPA output in that some World Bank staff believed it was supposed be a joint report, while in fact it was not.

[20] For an assessment of the effectiveness of IMF engagement with the World Bank in response to the COVID-19 pandemic, see IEO (2023). The Multileaders Task Force also includes the WHO and the WTO.

each organization's respective mandate and expertise[21] 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 JMAP, and the creation of a Bank-Fund Climate Advisory Group (IMF, 2023).

Formal Framework Approaches

UN

28. **IMF engagement with the UN has been guided by a special agreement established in 1947 and which reportedly has stood the test of time.** According to the agreement, the Fund is classified as a specialized agency of the UN, while it functions independently (see Appendix III). The agreement provides, inter alia, for reciprocal representation, including for the purposes of consultation and without vote at meetings of the UN General Assembly, Economic and Social Council (ECOSOC), and the Trusteeship Council on the part of the IMF and meetings of the IMF Board of Governors on the part of the UN; consultation and recommendations; and the exchange of information. It also contains extensive provisions with regard to statistical services, including to cooperate in eliminating unnecessary duplication and in recognition each of the other. The UN is recognized as the central agency for the collection, analysis, publication, standardization and improvement of statistics serving the general purposes of international organizations and the Fund as the appropriate agency for the collection, analysis, publication, standardization and improvement of statistics within "its special sphere."[22]

29. **During the evaluation period, the two organizations worked together on a number of issue areas in common to their mandates, including in particular through the ECOSOC and on the Financing for Development agenda.** There was some variation of focus over the period, including engagement in issues beyond Financing for Development. IMF staff also participated in UN initiatives, in particular staffing, briefing, or otherwise attending the High-Level Political Forum on Sustainable Development. The UN reportedly also sought out the IMF to be involved in a number of additional issues beyond its traditional core, even while IMF Special Representatives in turn managed to maintain the boundary of scope within policy areas directly focused on or relevant for the IMF's mandate.

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[21] The statement highlighted the World Bank's diverse skills and experience including on sustainable growth and structural transformation and its significant footprint in client countries and the IMF's capacity to support macroeconomic and financial stability and promote economic conditions conducive to growth and sustainability. They also pledged to closely coordinate global, regional, and country level engagements to ensure that resources would be deployed efficiently and effectively and driven by a focus on results for member countries.

[22] The IMF has long maintained a Special Representative to the UN. In 2007, the IMF office in New York was closed owing to the IMF "downsizing" exercise in 2007, and the Special Representative position was downgraded from the level of Department Director who reported directly to the MD to Deputy Director. While still mapped to the Office of the Managing Director, the day-to-day reporting line was shifted to the Director of SPR. For a discussion on the impact of the downsizing on the IMF's capacity both to respond to the Global Financial Crisis and fulfill its mandate, see IEO (2014).

ILO

30. **Guidelines for IMF-ILO collaboration have been in place since 1996,[23] even while joint work was not continuous during the evaluation period.** In 2010, the heads of the IMF and the ILO, a UN specialized agency, formally agreed to enter into a joint pilot project initiative on Social Protection Floors (see Zhou, 2017; IEO, 2017). The purposes of the initiative were: (i) to explore the concept of a social protection floor for people living in poverty and in vulnerable situations; (ii) to focus on policies to promote employment-creating growth; and (iii) to promote social dialogue, as a way of building consensus around difficult issues and ensuring that the social consequences of the crisis and its aftermath were taken fully into account. In some country pilot cases, the division of labor, modalities, and expected outputs of the collaboration were clear, while in other cases, these considerations as well as the objective were unclear. Following a stocktaking in 2013, the pilots were ended.

31. **Following the adoption in 2019 of A Strategy for IMF Engagement on Social Spending, in 2021, the IMF and ILO relaunched pilots to foster cooperation at the country level.** The objective was to identify whether and how to pursue collaboration in these areas going forward. Following the completion of the pilots in 2023, a joint stocktaking exercise was undertaken, including the identification of a number of lessons. Drawing on the experience, staff proposed to mainstream and expand the scope of country level IMF-ILO cooperation within the existing resource envelope of each organization. According to internal IMF documents, criteria and procedures drawing from the pilot experience were determined, and a "Key Do's and Don't's" note for the IMF was developed.

WTO

32. **The IMF and WTO have had a formal agreement in place since 1996.[24, 25]** The agreement calls for cooperation in the discharge of respective mandates across a broad scope of issues including international payments or transfers and transactions and restrictions, decisions related to discriminatory currency arrangements and multiple currency practices, and decisions

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[23] Evidence of IMF engagement with the ILO goes back as far as 1947, for example when the IMF was invited to attend regional ILO conferences. Following the UN World Summit for Social Development in 1995, the IMF Interim Committee called for strengthened cooperation between the two institutions. In February 1996, the MD issued a memo to staff specifying several ways in which IMF resident representatives should collaborate with ILO teams at the country level. See Zhou (2017).[24] Decision No. 11381-(96/105), November 25, 1996. Available at https://www.imf.org/external/pubs/ft/history/2012/pdf/3b.pdf.

[24] Decision No. 11381-(96/105), November 25, 1996. Available at https://www.imf.org/external/pubs/ft/history/2012/pdf/3b.pdf.

[25] The WTO (founded in 1995) is the successor organization of the General Agreement on Tariffs and Trade (GATT), which went into effect in 1948. A prior proposal for the creation of the International Trade Organization (ITO) as the third leg of the Bretton Woods system did not materialize. Even as far back as the attempt to create the ITO, collaboration between the IMF and World Bank as well as provisions for collaboration between the IMF and ITO were evident (see, for example, EB/Memo/46/31, available at Archives | Simple search (imf.org)).

requesting a Fund member to exercise controls to prevent a large or sustained outflow of capital. The agreement also provides for Fund participation in WTO consultations with member regarding balance of payments issues.[26] The agreement specifies that the WTO Director General and the IMF MD shall ensure cooperation between the staffs of the two institutions which are expected to agree on appropriate procedures for collaboration including access to databases and exchanges on jurisdictional policy issues.

33. **Some evidence suggests that the agreement was not fully put to use for engagement at the country level.** Evidence gathered during this assessment noted that the staff worked together routinely at the high inter-institutional level on a number of issues within their shared expertise. In analyzing the respective comparative advantage of each organization, IEO (2019a) noted that the IMF is generally regarded as the international institution best placed to quantify and analyze the macroeconomic effects of trade policies (i.e., surveillance), both at the national and international level. While staffs of both institutions reported a good working relationship in the context of WTO's Trade Policy Reviews (IEO, 2019a), interviewees and survey respondents for this assessment pointed to the lack of joint surveillance missions.

MDBs and RFAs

34. **Engagement arrangements between the IMF and MDBs shifted during the evaluation period from informal to formal.** At the institutional level, the IMF contributed along with some MDBs to the Financing for Development agenda. As noted in IEO (2018), at the country level, MDBs were primarily involved in sectoral work beyond the traditional core of the IMF. There was also reported IMF engagement with MDBs during the evaluation period on various newer areas including for example social protection/social spending (see IEO, 2017) and other structural issues (see IMF, 2014a; 2014b) and conflict-affected situations (see IEO, 2018a). With regards to these cases, however, evidence points to the fact that there was still scope for strengthening cooperation.

35. **The recognition for the need for increased coordination between the IMF and MDBs led to the issuance of G20 principles for effective cooperation (G20, 2017)**. The G20 principles highlighted the need to cooperate more closely. They note that the IMF and the MDBs should be encouraged to ensure effective coordination when MDBs consider providing financing to countries facing macroeconomic vulnerabilities and more broadly when programmatic policy-

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[26] The organizations may also participate in meetings of common interest, including the WTO at meetings of the Executive Board on general and regional trade policy issues, including the formulation of Fund policies on trade matters and discussions of the *World Economic Outlook* where there is significant trade content. Reciprocally, the Fund may attend meetings of the ministerial conference and trade-related and WTO dispute settlement bodies. The Fund must provide the WTO, for the confidential use of its secretariat, with staff reports and related background papers and staff reports on Article IV consultations and on the use of fund resources on common members and on the Fund members seeking accessions to the WTO, subject to consent of the member, while the WTO must provide to the Fund, for the confidential use of its management and staff, with Trade Policy Reviews reports, summary records, and reports of council bodies and committees, and reports of WTO members to these organs.

based lending is envisaged, while each institution will retain the independent responsibility for lending decisions. The principles lay out specific responsibilities for each organization as well as for joint action including with regards to macroeconomic assessments and capacity building. Further, the principles also call on organizations to conduct a regular evaluation by the Board of Directors of the institutions on the implementation of these guidelines. As of the date of this assessment, this evaluation had not taken place.

36. **Similarly, separately in 2017, IMF Executive Directors endorsed a staff proposal for six operational principles to guide collaboration between the IMF and RFAs.** The proposal was based upon learning from experience and building on non-binding principles endorsed in 2011 by G20 Ministers of Finance and Central Bank Governors (IMF, 2017a). Executive Directors also supported proposed operational modalities which were viewed as enabling the Fund to tailor its engagement with RFAs depending on the form of operations and the capacity of each RFA while at the same time providing clear rules of engagement. The framework notes that in cases where some division of labor between the Fund and the RFA is possible, it can be based on a "lead agency" model, while when the division of labor is not possible due to overlapping mandates and technical expertise, early engagement and collaboration based on one coherent program would be called for.[27]

Informal Arrangement and Ad hoc Approaches

37. **The IMF is an observer organization of the FATF**. As discussed in Abrams (2020), the IMF worked closely with the FATF in the development of anti-money laundering and combating the financing of terrorism (AML/CFT) standards and assessment of member country compliance. The Fund also contributed to the review of the quality and consistency of reports across assessor bodies including the World Bank, the FATF, and nine FATF-Style Regional Bodies (FSRBs).[28]

38. **The IMF and OECD staffs engaged through informal modalities, even while both institutions shared substantial overlapping policy areas.** There was no formal agreement between the OECD and IMF during the evaluation period, even while the staffs worked together on capital flows, taxation, corporate governance, labor, and other macrostructural issues as a result of calls for collaboration from the IMFC or external shareholder groupings such as the G20.[29] The OECD strategic plan for the decade starting 2021 noted a number of multilateral partners, although it did not specifically name the IMF (OECD, 2021). The OECD also maintains official data and statistics on advanced economies as well as on overseas development assistance

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[27] For an assessment of IMF engagement with RFAs in the earlier part of the evaluation period, see Kincaid (2016).

[28] For an assessment of the effectiveness of IMF engagement with FSRBs, including coordination challenges with FSAPs during the evaluation period, see IEO (2019b).

[29] See Figure 3 for reported rate of engagement between IMF and OECD staff over the evaluation period. For an assessment of IMF-OECD collaboration during the respective period through 2020, see IEO (2020).

as part of the OECD-Development Assistance Committee (OECD-DAC) from which IMF staff drew upon in carrying out its work.

39. **The IMF and UN Women staffs began working together informally in 2015.**[30] They conducted joint global peer learning events in member countries and created a joint analytical note. UN Women also provided comments on the IMF gender strategy consultation note. IMF staff also made use of UN Women's data and statistics in carrying out its work. UN Women aimed to support the development and implementation of macroeconomic policies and practices that advance gender equality and women's empowerment. Operationally, the agency maintained a Macroeconomics Economic Empowerment Section, worked with ministries of finance and IFIs, and viewed IFIs in the macroeconomic policy space as key partners. UN Women also aimed to incentivize decent work and realize equal pay for work of equal value, including by promoting financial and digital inclusion to close the gender digital divide. UN Women also supported the UN Social Protection Floors initiative.

40. **Consistent with the synergies among their mandates, the staffs of the IMF and Food and Agriculture Organization (FAO) worked together informally and the heads of both organizations came together ad hoc.**[31] During the latter half of evaluation period, IMF and FAO staff worked together more routinely on a number of initiatives, including on statistics, and as part of a joint working group including the World Bank Group and WTO. Other issue areas in common where there was scope for engagement between the IMF and FAO included subsidies and climate change. While the FAO Liaison Office for North America located near IMF headquarters in Washington handled matters domestically, a FAO senior staff at Rome headquarters was designated to serve as the focal point with the IMF. In July 2022, the IMF MD joined the heads of the FAO, World Bank Group, World Food Programme and WTO in a coordinated call to member countries for action in response to the food insecurity crisis brought on by the COVID-19 pandemic. In a subsequent joint statement in September 2022, the heads each noted actions taken by their respective organizations, including at the IMF the introduction of a new food shock window within its emergency lending facilities.

41. **Other notable ad hoc arrangements for engagement on issue areas outside of the IMF's traditional core during the evaluation period included with the World Health**

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[30] UN Women's mandate focuses on achieving gender equality and the empowerment of all women and girls to support the achievement of the 2030 Agenda. As noted in UN Women (2021), thematic focus areas for the 2022–25 period were: governance and participation in public life; economic empowerment; ending violence against women and girls; and women, peace and security, humanitarian action and disaster risk reduction.

[31] The FAO's mandate has shifted since its founding in 1945 from improving nutrition and ensuring food security to a more holistic agenda to develop sustainable agrifood systems. Today, the remit of the FAO is broad, including being a technical agency with country office representation, a convenor and facilitator of dialogue on multilateral agreements, the keeper of multilateral treaties, and custodian of Sustainable Development Goal 2 (No Hunger), and being engaged in 13 of the 17 SDGs including, for example, ending poverty and promoting gender equality. The FAO also collects, maintains, and disseminates member country statistics and data related to food and agriculture including, inter alia, commodities, prices, trade, official development assistance, government spending, and emissions.

Organization (WHO). Examples of this work included joint press briefings and efforts by the IMF Managing Director and WHO Director General to promote access for all to COVID vaccines and, at the staff level, input from epidemiologists to inform IMF economic projections.

C. Stakeholder Views on Engagement Frameworks

42. **Executive Directors endorsed the IEO recommendation that the Fund should seek to develop and agree on concrete frameworks to ensure effective collaboration with the World Bank or other relevant partner organizations on key macro-structural issues in cases where collaboration is judged to bring the greatest strategic returns (IEO, 2020).** The remainder of this section considers the role of formal frameworks in the event the IMF engages in policy areas for which it must rely on or would benefit from the expertise or engagement of other external partners. It reflects views across a broad range of stakeholders, including Executive Directors, country authorities, IMF staff, staff from other regional and international organizations, civil society, and think tanks, and academics.

43. **The IMF followed this approach when it devised the Resilience and Sustainability Trust (RST) in 2022 to address climate change and enhance pandemic preparedness.** In designing the proposed RST, the IMF and World Bank developed a staff-level coordination framework on the climate change pillar. The framework identified key areas for coordination, including on diagnostics; policy priorities; conditionality; implementation supervision; and program documentation. This framework was included in an annex to the RST proposal presented for Executive Board consideration. The proposal also noted the intention to develop a coordination framework for pandemic preparedness and Directors encouraged that this promptly be done. In establishing the RST, most Directors supported initially focusing on addressing these two areas and maintaining flexibility to add additional qualifying challenges in the future with sufficiently broad consensus, while a number supported a broader set of longer-term issues (IMF, 2022b).

44. **In late 2023, the majority of Executive Directors reaffirmed that having a formal agreement at the start would help to clarify roles and expectations when the IMF engages with partners in a new or evolving policy area.** In bilateral questionnaires for this paper, nearly 80 percent of Executive Director respondents believed that this approach would be helpful when the IMF needs to rely on the expertise or engagement of other IFIs or external partners. One Director highlighted that such an agreement could help to keep another strong party from imposing how the IMF should engage in newer policy areas. A number of Directors called for flexibility, for instance by suggesting that in such cases an initial agreement should be set up yet provide for possible adjustments that may be needed along the way as the partnership and work progresses.[32]

[32] Nearly 90 percent of IEO country authority survey respondents for this assessment also believed that having some type of formal agreement from the start could (55 percent) or would (31 percent) help to clarify the IMF's role and responsibilities when working on a new or evolving policy area that is complementary to or overlaps with another regional or multilateral organization (IEO Survey of Country Authorities, October 24, 2023).

45. **While two-thirds of IEO staff survey respondents believed that having a formal agreement at the start when the IMF engages with partners in a new or evolving policy area could help or would significantly help, they also highlighted the need for flexibility.** In the IEO survey for this assessment, of those staff who had worked on surveillance, lending, or CD during their career, 34 percent agreed it "would significantly help" and 32 percent agreed it "could help" to have a framework or agreement from the start of engagement to clarify mutual roles and responsibilities when the IMF engages in a new or evolving policy area. A handful expressed concern in the open field comments that having a formal agreement would just involve more time and box checking. During interviews, some staff were of the view that the Fund's "learning by doing" and pilot project models and the flexibility they provide can be beneficial; however, they also acknowledged that the Fund takes on risks with these models when years of time lag go by before IMF strategies are agreed or before arriving at some type of formal agreement for engagement with a partner in an newer policy area.

46. **There was broad consensus across stakeholder groups that having some type of agreement from the start depends on the anticipated extent of the IMF's engagement and the implications for carrying out the IMF's mandate.** Some Executive Directors and other internal and external interviewees for this assessment including IMF staff, partner organization staff, think tanks, civil society organizations, and academia pointed out that if the work is on a policy area of a bilateral or global systemic nature or anticipated to be ongoing (e.g., climate, gender), then having an agreement from the start is advisable. If the policy area is one that the Fund will not always be involved in, it may not be advisable. All agreed that at a minimum there is a need for an explicit understanding and basis for accountability regarding the objective of each partnership and anticipated division of responsibilities before starting the engagement.

47. **A handful of external interviewees, notably among standards setters, believed that having a formal framework from the start would not be ideal.** In particular, they highlighted differences in organizational governance, such as the need in some cases to seek and gain approval for agreements from member country parliaments or non-resident Executive Board members. In their view, such scenarios could possibly present further challenges to establishing partnerships or working together efficiently. As noted previously in this paper, however, the IMF successfully entered into formal agreements with other organizations in similar contexts such as the WTO and FSB.

Assessment

48. **Formal frameworks were the modus operandi for engagement with partners on policy areas where IMF work or relationships have been longstanding.** In most cases, this work was already mainstreamed in IMF policy and operations in support of the organization's traditional core prior to the evaluation period. Often these formal frameworks were also preceded by informal arrangements. Examples of formal frameworks ranged from concise bullet point notation to detailed agreements, yet all set out modalities regarding the division of responsibilities of both partner organizations. Examples of organizations in this category

included the World Bank, the UN, the WTO and the FSB.[33] Examples of policy areas included debt sustainability, financial sector assessment, financing for development, and macroeconomic aspects of trade policy.

49. **Informal arrangements were often the modus operandi for newer policy areas and in some cases for areas related to the IMF's traditional core.** Examples of organizations and newer policy areas operationalized through informal arrangements during the evaluation period included UN Women for work on gender mainstreaming, numerous organizations for work on climate change, the World Bank and other organizations on social spending, the ILO on social protection floors, and the BIS on digital money. In some cases, the IMF engaged with organizations on policy issues related to the IMF's traditional core through informal arrangements such as with the FAO on commodity statistics.

50. **As the global economy continues to evolve, there is widespread acknowledgement both within the IMF and across a range of external stakeholder groupings regarding the utility of having formal engagement frameworks when initiating engagement in new or newer policy areas.** This was viewed as particularly essential among other reasons in order to lay out shared objectives and establish expectations and boundaries related to the respective mandates of the IMF and partner organizations. The implications of this are two-fold. First, it is essential for the IMF to foster and maintain ongoing relationships with other organizations so as to understand the boundaries of their mandates and the synergies with the IMF, particularly as the world economic order evolves. Second, the need for early formal frameworks at the start of engagements, as distinct from informal arrangements or delayed formal frameworks, may become more desirable to ensure shared objectives, complementarity, a proper division of expertise, and the aim for effective outcomes. These frameworks could be designed with flexibility, which would address key concerns expressed among some IMF staff and Executive Directors.

51. **In this respect, the IMF was able to develop and agree on a framework for engagement with the World Bank from the start when designing the RST.** This should be viewed as a considerable accomplishment and one that offers great learning opportunities in the event of possible evolution of the application of the IMF's mandate in the future. Considerable time and effort were expended between the staffs and in embedding the framework in the proposal for discussion by the Executive Board, the results of which strengthen the IMF's overall framework for engagement with partners in newer policy areas. While the framework initially covered only climate change and not pandemic preparedness, staff committed to adding that element and Executive Directors encouraged the same.

[33] In 2008 the heads of the IMF and the Financial Stability Forum presented a Letter to G20 Ministers and Governors that laid out a division of expertise in simple bullet form. In the event, the IMF subsequently formally became a member of the successor FSB.

IV. IMF STRATEGIES, POLICY AND GUIDANCE ON ENGAGEMENT WITH EXTERNAL PARTNERS

52. **There is no consolidated Management or Board-approved IMF strategy, policy or guidance on the organization's engagement with external partners.** Rather, prior to and during the evaluation period, treatment of so-called collaboration was addressed by policy issue, operational function, or relative to a specific cross-section of the membership. This section will assess the extent to which selective issue area strategies, operational policies, and guidance notes incorporated considerations related to engagement with external partners.

Newer Policy Area Strategies

53. **By the end of the evaluation period, work in newer policy areas was carried out through operational strategies**. These were, respectively, the Framework for Enhanced Engagement on Governance (IMF, 2018a);[34] A Strategy for IMF Engagement in Social Spending (IMF, 2019); IMF Strategy to Help Members Address Climate Change Related Policies (IMF, 2021a); The Rise of Digital Money: A Strategic Plan (IMF, 2021b); and the IMF Strategy Toward Mainstreaming Gender (IMF, 2022c). This section analyzes the depth of treatment of engagement with partners within these strategies as well as associated Board-approved policies and guidance, respectively, where such existed during the evaluation period.

54. **The depth of treatment related to engagement with partners in newer policy area strategies increased over the evaluation period in most cases.** A desk analysis conducted for this assessment found that the depth of treatment relative to engagement with partners varied greatly across these strategies (see Table 3). The analysis did not assess the quality of treatment (see Appendix IV for methodology). When assessing against a rating scale ranging from "low" to "high," the Governance Framework was rated "low" on the depth of treatment relative to partners. The Social Spending Strategy and Digital Money Strategy were rated "moderate," the Climate Change Strategy was rated "substantial," and the Gender Mainstreaming Strategy was rated "high," respectively, for their depth of treatment regarding engagement with partners.[35]

55. **Other specialized work streams developed through a formal strategy also included increased depth of treatment regarding engagement with partners.** A prime example in this regard is the Board-approved IMF Strategy for Fragile and Conflict-Affected States (IMF, 2022d), which lays out a highly detailed framework for engagement with numerous relevant partner organizations beyond the World Bank. Where issued, respective associated strategy guidance

[34] The 2018 Framework (IMF, 2018a) updated the 1997 Guidance Note on The Role of the IMF in Governance Issues.

[35] The methodology does not include an indicator or rating related to treatment of communications. As noted by staff in the course of this evaluation, issues surrounding communications with external partners are not included in engagement frameworks, which has resulted at times in a lack of clarity on respective roles. Staff believed it would be important for frameworks to establish key communication moments and include assignment of roles to ensure alignment of the parties. Related, CSO interviewees for this evaluation also opined regarding the lack of clarity about their role in engaging with the IMF in newer policy areas, mainly upheld only by the Communications Department and called for the revision of the guidelines on engaging with CSOs which were last updated in 2015.

notes mirrored increased depth of treatment regarding engagement with partners. Additionally, as noted in Abrams (2022), the treatment of coordination with partners in the Guidance Note on the Fund's Engagement with the Small Developing States issued in 2014 and as revised in 2017 (see IMF, 2018) was highly granular, even while there is no dedicated strategy for this grouping.

Table 3. Depth of Treatment of Engagement with Partners: Newer Policy Area Strategies

Newer Policy Area	Strategy (Year/Depth Rating)	
Governance	2018	Low
Social Spending	2019	Moderate
Digital Money	2021	Moderate
Climate Change	2021	Substantial
Gender	2022	High

Source: Authors.

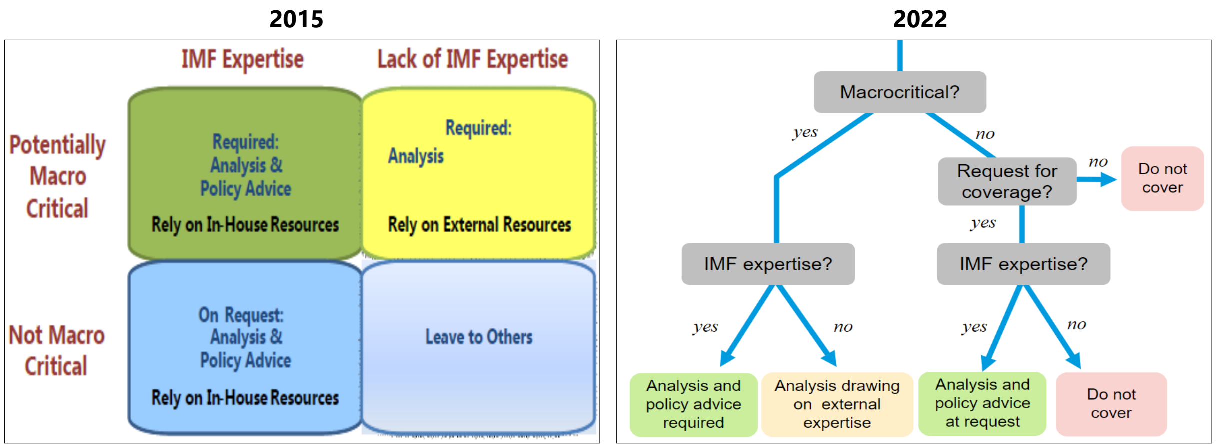
Surveillance

56. **The language of IMF policy as relates to engagement with partners in the case of surveillance during the evaluation period was relatively generic.** For example, in discussing the 2021 Comprehensive Surveillance Review, Directors recognized the need for Article IV consultations to remain selective and focused in their coverage of new topics and cautioned against over-stretching Fund surveillance. They called on the Fund to coordinate closely with other organizations and better leverage outside expertise whenever possible (IMF, 2021). The brevity of this language is typical yet should be understood in the context of the art of drafting Executive Board Meeting Summings Up and concluding statements of the chair, which follow a tradition of concise treatment.

57. **The 2022 update of the surveillance guidance note incorporated references to collaboration with the World Bank on newer policy areas, reflecting the evolution of the application of the IMF's mandate.** It highlighted that close collaboration with the World Bank may be necessary on certain macro-structural issues such as: climate change, including climate-related risks and policies; governance, including identification and prioritization of key governance and corruption issues; gender, such as the identification of potential macrocritical aspects; and issues related to low-income countries (LICs) and fragile and conflict-affected states (FCAS). It also noted the importance of information sharing between the IMF and World Bank institutions to support effective surveillance and provided a link to the guidance note on IMF-World Bank information sharing. Only in the case of inclusion and gender did it discuss collaboration with other external partners beyond the World Bank. Box 1 shows the 2015 guidance note matrix and updated 2022 guidance note decision tree for staff when deciding whether and to what extent to rely on external partners in the context of surveillance. While the underlying rationale remained the same, the update provided more detail.

58. **Overall, however, the generic language regarding collaboration from prior versions of the guidance note was still retained.** As its basis, the guidance note invoked the 1989 Concordat on Bank-Fund Collaboration and subsequent refinements such as the JMAP. The text continued primarily to rely on generalized statements such as "collaboration with other IFIs, in particular the World Bank, where applicable in surveillance can maximize synergies between each institution's area of comparative advantage" and contained normative assertions that the Fund collaborates with other international organizations without providing examples. Notably, the language was often permissive (e.g., "staff *can* [emphasis added] also draw on the expertise of other international institutions"), as distinct from instructive.

Box 1. Surveillance Guidance: Use of Internal Versus External Expertise



Source: IMF (2015; 2022e).

59. **Over half of IEO staff survey respondents who had worked on surveillance at some point during their IMF career strongly disagreed or disagreed that there is clear guidance as to whether and the ways to rely on external partners.** In the IEO staff survey conducted for this evaluation, 62 percent (64 percent) strongly disagreed or disagreed that there is clear guidance on whether (the ways in which) to engage with partners, and 12 percent reported they did not know in either case. Among those who reportedly did not know, over half were at the A14-15 level (i.e., senior economist/mission chief). Further, a handful of senior staff interviewees (i.e., B-level) noted that they had not read the surveillance guidelines, echoing findings of previous IEO evaluation B-level interviewee cohorts.

60. **Information on collaboration with partners in Article IV staff reports was lacking and the status of collaboration annexes was unclear, hampering timely Executive Board oversight.** Over the years as word limits in staff reports were enforced, the IMF moved to required annexes as the way to report on the effective use of outside expertise in surveillance on macrocritical structural issues. As discussed in Annex II of IEO (2020), by 2017, there was considerable variability in format, coverage and depth of information on collaboration provided in annexes. In some cases, in part arising from an inconsistency in the body of guidance and the list in the appendix, the annexes did not provide information on collaboration but rather only on

the country's relations with the World Bank or other international organizations. After 2017, the requirement to report on IMF collaboration with other IFIs was removed from surveillance guidance note while remaining in the guidance note on PRGT-supported lending.

Lending Arrangements and Non-Lending Instruments

61. **The LIC Handbook provided consistent guidance to staff regarding consultation and collaboration with the World Bank in the context of PRGT-eligible lending arrangements as well as for non-lending instruments.**[36] The guidance coherently addressed all facilities and non-lending instruments that existed throughout and as of the end of the evaluation period. It discussed requirements for any related collaboration processes, including documents for files, assessment letters, clearance procedures for joint program-related analytical tools (such as the Debt Sustainability Assessment) and associated supporting documentation such as poverty reduction strategy joint staff assessment notes (JSANs) for IMF lending. It also laid out changes in a timely fashion in the case of multiple transitions from the JSAN to successor Economic Development Document (EDD) and Poverty Reduction and Growth Strategy (PRGS) documents. It is also not clear whether an operational review that was called for by Executive Directors on the experience with the shift to EDD and PRGS documents, i.e., particularly regarding aspects of coordination with the World Bank, was undertaken. Unlike the inconsistencies in the body and appendix of the surveillance guidelines as noted above, the LIC Handbook continued to call for the inclusion of a Bank-Fund information annex to accompany Article IV surveillance reports.

62. **There was no consolidated policy or operational guidance during the evaluation period regarding collaboration in the case of GRA financing arrangements.** Two specific mechanisms in this context 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, these mechanisms are not applicable synonymously in the case of all GRA lending across the membership which might benefit from some type of engagement with partners, be it for data, designing policy advice, or setting conditionality in newer policy areas.

Capacity Development[37]

63. **Over time during the evaluation period, key principles and practices were developed to guide IMF CD relative to engagement with partners.** As elucidated in IMF (2019b), the Fund seeks to avoid duplication and to enhance complementarity with other CD providers. Following the 2011 Technical Assistance review, management created a new

[36] The LIC Handbook summarizes Fund policies governing financing under the PRGT facilities and non-financing instruments including policies on consultation and collaboration between the Fund and the World Bank, which are set out in relevant Board decisions, Summings Up, and policy papers. See *Handbook of IMF Facilities for Low-Income Countries* 2012; 2014; 2015; 2016; 2017; 2023.

[37] See Abrams (2020) for a description of CD-related engagements with the World Bank and the OECD. See also Radelet (2022), which discusses effectiveness of engagement with partners in the context of CD.

department, the Institute for Capacity Development (ICD), to focus, inter alia, on strengthening partnerships with donors and developing a monitoring and evaluation framework for IMF CD. In 2013, a CD strategy was developed but it did not focus on collaboration with partners.

64. **The 2018 CD Strategy Review recommended that the IMF should better leverage existing good practices on coordination in collaboration with other providers.** In 2020, the IMF Updated Common Evaluation Framework for IMF Capacity Development and Guidance Note incorporated an external coherence criterion and associated assessment instructions to staff. It also provided for corroboration of results-based management self-assessment ratings through instruments such as stakeholder interviews (IMF, 2020b). In response to a IEO Board-endorsed recommendation arising from the IEO evaluation on *The IMF and Capacity Development* (IEO, 2022b), the Management Implementation Plan (MIP) committed to a number of actions in the forthcoming CD Strategy Review to promote external collaboration as a key driver of CD effectiveness. These included to consider the Fund's position vis-à-vis other CD providers in its main areas of expertise and to seek the main areas of the IMF's comparative advantage and potential for duplication and/or complementarity in CD provision with other providers, including with the World Bank. It also set out to identify good practices in collaboration and coordination and identify areas for further strengthening.

Assessment

65. **There is no consolidated management or Board-approved IMF strategy, policy, or guidance on engagement with external partners.** This carries implications for the IMF's current and future work agenda, particularly considering the proliferation of partners and work in newer policy areas.

66. **Ad hoc strategies for newer policy areas adopted in the latter part of the evaluation period as well as respective associated guidance notes, where they existed, increased in depth of treatment over time regarding engagement with partners.** This greatly enhanced the IMF's move to a coherent framework for engagement with partners as compared to existing surveillance and lending policies which primarily relied on generic language.

67. **The depth of treatment in guidance notes varied and differed for surveillance and lending.** A majority of staff survey respondents and interviewees for this assessment still believed as in previous IEO evaluations that the guidance note for surveillance was not clear regarding whether and in what ways to engage with partners. Notwithstanding matrices and decision trees provided in the guidelines and brief mention of newer policy areas, the language was relatively generalized and at times permissive rather than instructive. Guidance notes for PRGT-supported lending were consistent and coherent across the evaluation period even as IMF facilities and modalities for engagement (primarily with the World Bank) continued to shift. There was no overall guidance on engagement with partners for GRA-supported lending.

68. **The proliferation of guidance has introduced risks.** By the end of the evaluation period, there were at least one dozen different guidance notes with varying requirements and suggestions related to engagement with partners across operational functions, across newer policy areas, and for select cross-sections of the Fund's membership. In the context of the MIP for Board-endorsed recommendations arising from IEO (2020), staff committed to preparing a guidance checklist for collaboration with the World Bank. However, without comprehensive consolidation, the risk of gaps or missed opportunities as well as burdens on staff are high. In the event of the addition of yet other areas of evolving application of the IMF's mandate, this situation will only be exacerbated further.

V. MONITORING AND EVALUATION

69. **This section will look at the policies or tools for monitoring and evaluation of engagement with partners, particularly but not limited to newer policy areas**. Monitoring is essential as a mechanism for providing real-time course correction and learning feedback loops, in order to keep the membership informed, and to enhance governance and oversight. Evaluation is also essential as a means to assess the effectiveness of external engagement policies, operations, and outcomes as well as transparency and accountability between the IMF and its shareholders as well as with partners.

A. Monitoring Engagement with External Partners

70. **There were a number of monitoring mechanisms in place at the IMF during the evaluation period that were applicable to engagement with external partners, although efficacy was mixed.** For the purposes of this assessment, monitoring refers to initiatives by IMF staff, teams or departments, management, or the Executive Board to inform stakeholders or be informed by timely reports, updates, data-based information or analysis with regards to policy or operational activities related to engagement with partners. Salient examples of these mechanisms included monitoring of conditionality in IMF-supported programs, departmental review processes, departmental accountability frameworks, and Board oversight.

71. **Real-time monitoring of IMF conditionality design based upon input from partners was compromised during the evaluation period.** As discussed in IEO (2018), at the time the Monitoring of Fund Arrangements (MONA) database had a field used to identify the lead institution for each structural condition where partners had been involved. A search at the time of the lead institution field in areas of IMF shared expertise revealed that this field was very rarely populated and, when populated, mostly the World Bank and not another organization was identified. Notwithstanding enhancements made to MONA at the time to create an interactive dashboard, the revised template for staff reporting made the use of the field optional. Since then, the field was removed from the MONA database spreadsheet. As a result, there has since been no systematized method for identifying which organization may have provided policy inputs or

for monitoring structural conditionality in areas beyond the IMF's expertise. A review for this assessment revealed that in some cases, the condition description identified another organization; however, there was no longer any ability to filter or create associated data queries.

72. **The Strategy, Policy, and Review Department (SPR) was responsible for monitoring engagement with external partners, although this role began to shift in connection with select newer policy areas**. Historically, SPR and its predecessor was the centralized department responsible for high-level engagement with other international organizations and development and financial institutions as well as for the internal quality assurance and coherence function known as departmental review, including inter alia for surveillance and lending policy and operations. SPR's review function began to shift, however, towards the end of the evaluation period, as select newer policy area strategies set forth functional departments to act as hubs respectively including for high-level liaison and departmental review functions.

73. **In 2013, the IMF initiated an annual accountability framework exercise aimed at incentivizing and monitoring the delivery and outcomes of departmental objectives.** A review of all departmental accountability frameworks since inception through FY2023 undertaken for this assessment revealed a range of attention placed on external collaboration objectives depending on department. In particular, the African and Asia and Pacific departments made frequent mention, and the Middle East and Central Asia to a lesser extent, of such objectives particularly in connection with newer policy areas. Likewise, select functional departments such as Monetary and Capital Markets, Fiscal Affairs, and Research made mention of objectives in connection with multiple relevant partner organizations. In the case of one area department, the accountability framework objectives noted the anticipated closure of country offices at the same time as the expansion of the newer policy agenda yet did not note possible commensurate remedial objectives in the face of the absence of engagement channels.

74. **The Office of the Managing Director (OMD) had the ability to monitor departmental objectives related to engagement with external partners by tracking these accountability frameworks.** During the evaluation period, OMD responsibilities were assigned by matrix across four deputy managing directors (DMDs) inter alia by organization, topic, and country. Accordingly, there was no single DMD responsible for collaboration with external partners during the evaluation period. Rather, as of the latter part of the evaluation period, this responsibility for the Group of Seven (G7)/Group of Twenty (G20) was assigned to the First Deputy Managing Director (FDMD), the coordination with the World Bank on country operations was shifted from the FDMD to a DMD who previously served as a minister of finance from a developing country, and a third DMD assumed the monitoring of relations with the UN and MDBs. As highlighted in IEO (2020) and reconfirmed in the course of this assessment, the mechanism for escalation where necessary to the principals' level between the IMF and World Bank was operative.

75. **The Executive Board has the capacity to monitor engagement with other organizations through its oversight role.** The IMF Executive Board conducts the daily business of the Fund including, inter alia, discussion of member country health checks (i.e., surveillance), the use of Fund resources (i.e., lending), and the approval and review of operational policies. In so doing, ideally it is enabled with the capacity to monitor operational policies and activities surrounding IMF engagement with partners in this broader sense. In bilateral questionnaires for this assessment, Directors were asked whether the Executive Board should be more engaged in oversight of external partnership frameworks. Among respondents, over 80 percent believed this would be appropriate. Some Directors offered caveats regarding not getting too mired in day-to-day operations under the purview of Management and staff, even while the overall intention was laudable.

76. **The Board can also foster tailored engagement with external partners through the Committee on Liaison with the World Bank and Other International Organizations.** The terms of reference for the committee include, inter alia, to maintain close relations, take stock, and remain abreast of developments in the policies and programs of other international organizations with complementary mandates to that of the Fund, in particular the World Bank and the WTO. It is also charged with making recommendations to the Executive Board regarding Fund relations with these organizations, as appropriate.

77. **The frequency of this engagement varied throughout the evaluation period.** Committee members met occasionally with World Bank counterpart Executive Board Committee on Governance and Administrative Matters to strengthen consistency and complementarity on policy recommendations while maintaining clear core areas of expertise in each institution. They discussed issues such as Bank-Fund collaboration, climate, debt vulnerabilities and the Common Framework, and adjustment and growth.[38] Committee members also held regular annual or semi-annual meetings with bilateral and multilateral representatives of the ECOSOC Cabinet, including during the COVID-19 pandemic. They discussed possible actions on various shared policy areas such as external debt, health financing, and SDG financing. The Committee met less often with WTO officials, and in the event discussed a number of issues such as the trade outlook, reshoring and friend-shoring, the multilateral trading system, food and energy, global supply chains, and dispute resolution systems.

Assessment

78. **The efficacy of monitoring mechanisms related to engagement with partners was mixed**. For Management and staff, there were a number of existing IMF monitoring mechanisms that were potentially highly effective instruments to the extent they are actually utilized to set course corrections. In particular, there is evidence that departmental accountability frameworks

[38] In 2017–18, there was an informal meeting of the joint Executive Boards of the IMF and the World Bank and the IMF MD and President of the World Bank Group each addressed the other's Executive Board. An attempt to institutionalize these annually thereafter did not transpire.

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. Cases where remedial measures for engagement could have been called for, such as following the closure of local offices, were evident.

79. **Monitoring of engagement with partners in the context of bilateral surveillance was weak**. IEO (2020) evidence and limited staff feedback during this assessment confirmed that that there was little SPR review regarding collaboration in the context of surveillance. It is also too early to tell whether the shift from centralized to decentralized hub and unit review of IMF engagement with partners will provide adequate monitoring of engagement with partners. Executive Directors continued not to have information regarding the extent to which and how the IMF is relying on engagement with partners in newer policy areas and what this may mean for outcomes. Implications relative to newer policy areas thus far suggest risks in this regard. Many Executive Directors also believed it would be appropriate for the Board to be more involved in monitoring IMF engagement with partners.

80. **Real-time monitoring of IMF conditionality design based upon input from partners was compromised.** The capacity to track which organizations assisted the IMF in designing conditionality or may have been the responsible lead agency related to policies in shared or newer areas that featured in IMF-supported programs degraded over the course of the evaluation period.[39] Rather than enhancing the capacity to efficiently use MONA systemically in this regard as had been highlighted in the context of discussions of IEO (2018) and IEO (2020), this function was abrogated.

B. Evaluating Engagement with External Partners

81. **In 2016, the IMF Executive Board endorsed the Statement of Principles for Self-Evaluation, which built upon existing processes for periodic reviews of IMF policies and operations.[40]** The statement described the goals, scope, outputs, utilization, and follow-up for self-evaluation at the IMF. At the time the Statement was issued, it included a list and periodicity of existing IMF policy reviews.

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[39] There is no cross-conditionality in IMF programs. The Fund cannot delegate its responsibility in assessing whether the conditions for the use of its resources have been met. However, when designing conditionality in a policy area outside the traditional core, the Fund necessarily must rely on other organizations with sectoral or thematic specialization. As a matter of monitoring of Fund arrangements as well as self-evaluation of engagement with external organizations, it is essential for the IMF to consider the efficacy of inputs used to design such conditionality.

[40] The Statement of Principles were developed in the context of the MIP in Response to Board-Endorsed Recommendations in the 2015 IEO Evaluation on Self-Evaluation at the IMF to strengthen the institutional framework for self-evaluation at the IMF. The Statement of Principles was published as part of the MIP and is posted internally on the SPR intranet landing page on guidance.

82. **There has never been a comprehensive IMF self-evaluation of engagement with external partners nor, to date, self-evaluation of IMF-World Bank collaboration since 2010.** Notwithstanding the call in 2010 for a subsequent review, the periodicity list included the JMAP on only an "as needed" basis. On the heels of the Executive Board discussion of IEO (2018), staff committed to a review, which was postponed in the face of work pressures in response to COVID-19. As part of the MIP in response to Board-endorsed recommendations arising from IEO (2020), a new date of FY2025 was set for a review. While the proposed scope of the review was broadened to consider IMF engagement with other organizations beyond the World Bank, it was proposed to limit the review primarily to climate and not to include other newer policy areas.

83. **Looking forward, there are a number of relevant principles from which the IMF could draw to develop a broader evaluative framework for engagement with partners.** The key principle elucidated in interviews and literature review is that a partnership must have an explicit stated objective if it is to be evaluated, which as noted above is also aligned with the definition itself of collaboration. Notwithstanding the organization's mandate, when evaluating IMF engagement with external partners, this underlying objective should be distinguished by explicit shared objectives or goals at every level of engagement, be it at the inter-institutional high level or the member country or regional level, as well as for each given engagement. The IMF could also draw on general evaluation criteria as well as specific criteria related to evaluation of partnerships in the context of transnational governance.[41, 42] Well-known generalized evaluation criteria utilized in international development and finance as promulgated by the OECD-DAC Network include relevance, efficiency, coherence, effectiveness, impact and sustainability.

Assessment

84. **There is no institutional self-evaluation framework for engagement with partners**. Self-evaluation of engagement with partners is in place only for the IMF's CD work. There has never been a comprehensive review on IMF collaboration with other organizations and there has not been a review of IMF-World Bank collaboration since 2010. This carries implications for the IMF's current and future work agenda, particularly considering the proliferation of partners and work in newer policy areas. It suggests important questions for the Fund such as: What data and lessons from experience across the institution can the IMF draw on to enhance the effectiveness of its engagement with other organizations? How can the Fund be accountable to shareholders for the outcomes of its work that relies on engagement with other organizations? How can the

[41] Transnational governance is a form of governance that involves coordination and cooperation across borders. It can also refer to institutions.

[42] For example, Andonova, Faul, and Piselli (2022) discuss five mutually reinforcing key elements for sound evaluation of partnerships. These include: goal attainment, value creation for partners, collaboration inside the partnership, impact on effected populations, influence on collaboration and institutions outside the partnership. While the authors' focus on public-private partnerships is distinct as compared to the nature of IMF engagement with other international organizations, the elements noted could be instructive, particularly as relates to the evolving application of the IMF's mandate.

Fund be accountable to other organizations with whom it collaborates as well as ensure the accountability of those organizations? How can the Fund use the evaluation of experience with engagement with other organizations to inform the application of the IMF's mandate as it continues to evolve? The evaluation of experience in engaging with partner organizations can provide the lessons needed to help the Fund decide whether, which and how to venture into other newer policy areas in the future.

VI. CONCLUSIONS AND NEXT STEPS

A. Conclusions

85. The paper concludes that while elements of a coherent approach are in place, there is currently not a comprehensive institutional approach for IMF engagement with partners.

Scope, Type and Modalities for Engagement with Partners

86. **During the evaluation period, IMF Management, staff, and the Executive Board engaged with numerous key partner organizations in policy areas outside of the organization's traditional core**. This engagement took on distinct forms, including orchestration and convening at the institutional level as well as coordination, cooperation and collaboration at both the institutional and operational staff levels. Engagement with partners was undertaken through various types of arrangement modalities: (i) engagement on policy issues where IMF work or relationships was longstanding was undertaken through formal frameworks; (ii) engagement in new policy areas, and at times for areas related to the IMF's traditional core, was undertaken through informal arrangements; and (iii) there were also instances of ad hoc engagement.

87. **There was widespread acknowledgement both within the IMF and across a range of external stakeholders about the usefulness of formal engagement frameworks from the start.** It is useful to have frameworks in place when initiating engagements with other organizations in new newer policy areas in order to lay out shared objectives and establish expectations and boundaries related to respective mandates, particularly given the shifting world economic order and continuous evolution.

Strategies, Policies, Guidance

88. **There is no consolidated management or Board-approved IMF strategy, policy, or guidance on engagement with external partners**. This carries implications for the IMF's current and future work agenda, particularly considering the proliferation of partners and work in newer policy areas. Ad hoc strategies for newer policy areas adopted in the latter part of the evaluation period as well as respective associated guidance notes, where they existed, increased in depth of treatment over time regarding engagement with partners. This greatly enhanced the IMF's move to a coherent framework for engagement with partners as compared to existing surveillance and

lending policies which primarily rely on generic language. The depth of treatment in guidance notes differed for surveillance and lending, while a majority of staff survey respondents and interviewees for this assessment still believed as in previous IEO evaluations that the guidance note for surveillance was not clear regarding whether and in what ways to engage with partners. Guidance notes for PRGT-supported lending were consistent and coherent across the evaluation period even as IMF facilities and modalities for engagement (primarily with the World Bank) continued to shift. There was no overall guidance on engagement with partners for GRA-supported lending. Over time during the evaluation period, key principles and practices were developed to guide IMF CD relative to engagement with partners and the 2018 CD Strategy Review recommended that the IMF leverage existing good practices on coordination and collaboration with other providers.

Monitoring and Evaluating Engagement with Partners

89. **The efficacy of monitoring mechanisms related to engagement with partners was mixed.** For Management and staff, there were a number of existing IMF monitoring mechanisms that were potentially highly effective instruments to the extent they are actually utilized to set course corrections. In particular, 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. Cases where remedial measures for engagement could have been called for such as following the closure of local offices were evident.

90. **Monitoring of engagement with partners in the context of bilateral surveillance was weak.** IEO (2020) evidence and limited staff feedback during this assessment confirmed that that there was little SPR review regarding collaboration in the context of surveillance. It is also too early to tell whether the shift from centralized to decentralized review of IMF engagement with partners will provide adequate monitoring of engagement with partners. Executive Directors continued not to have information regarding the extent to which and how the IMF is relying on engagement with partners in newer policy areas and what this may mean for outcomes. Many Executive Directors also believed it would be appropriate for the Board to be more involved in monitoring IMF engagement with partners.

91. **Real-time monitoring of IMF conditionality design based upon input from partners was compromised**. The capacity to track which organizations assisted the IMF in designing conditionality or may have been the responsible lead agency related to policies in shared or newer areas that featured in IMF-supported programs degraded over the course of the evaluation period. Rather than enhancing the capacity to efficiently use MONA systematically in this regard as had been highlighted in the context of discussions of IEO (2018) and IEO (2020), this function was abrogated.

92. **There is no institutional self-evaluation framework for engagement with partners.** Self-evaluation of engagement with partners is in place only for the IMF's CD work. There has never been a comprehensive review on IMF collaboration with other organizations and there has not been a review of IMF-World Bank collaboration since 2010. This carries implications for the IMF's current and future work agenda, particularly considering the proliferation of partners and work in newer policy areas. It suggests important questions for the Fund such as: What data and lessons from experience across the institution can the IMF draw on to enhance the effectiveness of its engagement with other organizations? How can the Fund be accountable to shareholders for the outcomes of its work that relies on engagement with other organizations? How can the Fund be accountable to other organizations with whom it collaborates as well as ensure the accountability of those organizations? How can the Fund use the evaluation of experience with engagement with other organizations to inform the application of the IMF's mandate as it continues to evolve? The evaluation of experience in engaging with partner organizations can provide the lessons needed to help the Fund decide whether, which and how to venture into other newer areas in the future.

B. Next Steps

93. Based upon considering the conclusions of this assessment, the background paper offers three proposals to strengthen the coherence of the IMF's framework for engagement with partners.

1. *The IMF could benefit from adopting a high-level Statement of Principles for Engagement with Partners.* Adopting a Board-approved Statement of Principles could provide the Fund with an institutional anchor for engagement with partners while adhering to the Articles of Agreement.[43] Such principles would include and guide the Fund's motivating rationale, objectives, policies and operations, which is a longstanding familiar approach at the Fund. This best practice would enable a coherent institutional approach to a plethora of engagements with other organizations and provide flexibility regardless of the type of framework arrangement with a respective partner, be it formal, informal, or ad hoc. It would help mitigate risks related to time lags arising from the Fund's current model of "learning by doing" pilot projects that it relies upon before it adopts strategies and mainstreams work in newer areas. It would enable the Fund to assess engagements by establishing a baseline and criteria for evaluation, enhancing accountability and legitimacy, and informing decision-making as relates to the application of the IMF's mandate as it continues to evolve in response to the needs of the membership.

[43] As noted by the Legal Department, "general principles" may not necessarily be applicable to all forms of engagements with third parties, and therefore, these would need to be carefully considered and developed to ensure compliance with the Fund's legal and institutional frameworks, as well as with its governance structure, particularly, the respective roles and responsibilities of the Executive Board and management in carrying out the Fund's work.

2. ***The Fund should consider how to strengthen the framework for monitoring engagement with partners.*** As part of this effort, actions for Management and staff should include: (i) Management should establish institutional objectives for engagement with partners to be linked to departmental accountability frameworks and develop a system for their consolidated monitoring within the Office of the Managing Director; and (ii) the annex on collaboration with other international financial institutions in the context of bilateral surveillance and MONA lead agency field in the context of lending should be reactivated and used by staff .

3. ***The Fund should establish an institutional periodic review of evaluation of engagement with partners.*** The review, to be discussed at a formal Executive Board meeting, should ideally focus on a consolidated approach across the top tiers of partners, operational functions, and policy areas of engagement over a given period. Given the increasing need for reliance on and membership demand for engagement with partners, this review should initially be undertaken within three years after Board approval and the periodicity thereafter should be no greater than every five years.

APPENDIX I. PURPOSES OF THE IMF

The IMF Articles of Agreement, Article I, lays out the following purposes of the Fund:

> "(i) To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.
>
> (ii) To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.
>
> (iii) To promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation.
>
> (iv) To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.
>
> (v) To give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.
>
> (vi) In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.

The Fund shall be guided in all its policies and decisions by the purposes set forth in this Article."

Source: IMF (2020).

APPENDIX II. THE IMF-WORLD BANK CONCORDAT

The IMF-World Bank Concordat (SM/89/54, Rev. 1)
March 31, 1989

To: Members of the Executive Board

From: The Acting Secretary

Subject: Bank-Fund Collaboration in Assisting Member Countries

The President of the World Bank and the Managing Director of the International Monetary Fund have reached agreement on the attached text. This document, jointly prepared by the managements of the Bank and the Fund, reviews the current status of cooperation between the Fund and the Bank and provides for the administrative and procedural steps that are necessary to secure a constructive and stronger collaboration between them.

The purposes and mandates of the Bank and the Fund are defined in their Articles of Agreement, as interpreted by their respective Boards. Operating within the framework of the Articles, the managements of both institutions believe that it is of the utmost importance to ensure the closest possible collaboration and working relations between the two institutions in order to serve member governments with maximum effectiveness in meeting their development needs and in providing support for macroeconomic and structural change.

The guidelines contained in the attached document are intended to achieve this objective and should help avoid administrative friction and facilitate orderly resolution of differences of views. Both of us recognize that the advice, suggestions and support of each institution for the other are essential if they are to discharge their responsibilities effectively and promptly. Smooth and effective working relations between the two institutions have assumed special importance in view of the contribution that both of them are expected to make to policy formulation and sustained economic growth in their member countries.

The staff will be instructed to implement the guidelines embodied in this document in a spirit of close collaboration. This matter will be brought to the agenda for discussion on a date to be announced.

Attachment

Memorandum to the Executive Board of the International Monetary Fund and the Board of Executive Directors of the World Bank March 30, 1989

FROM: The Managing Director, The President
SUBJECT: Bank-Fund Collaboration in Assisting Member Countries

1. Guidelines for collaboration between our two institutions have been in place since 1966. They have been reviewed and strengthened on a number of occasions since then.[1] We, and our colleagues in the management of both institutions, have recently reviewed the experience with collaboration under existing policy and practices.

2. The problems faced by our member countries are severe. They are struggling to restore stability, to adjust their economies to a more rapidly changing and less benign international environment, and to restore growth, while they continue to grapple with their massive debt overhangs and limited availability of both concessional funds and commercial capital. The majority of the members of our two organizations face serious problems. Many of them face the urgent need for change in policies, institutions, and the incentive framework. All are entitled, in our view, to the best advice our highly competent staffs can provide—each by drawing on their specialized technical expertise and experience. It is our responsibility, and that of our Boards, to ensure that the procedures in place make possible, to the fullest extent practicable, comprehensive analyses by our staffs, early exchange of views on differences, and a system to refer remaining differences to the appropriate level of management for resolution. Proposals to improve our capacity to achieve these objectives are set forth in this paper.

3. The existing guidelines lay down principles which remain sound and provide a firm basis on which to build. They provide the Bank with ". . . primary responsibility for the composition and appropriateness of development programs and project evaluation, including development priorities." The Fund is assigned ". . . primary responsibility for exchange rates and restrictive systems, for adjustment of temporary balance of payments disequilibria, and for evaluating and assisting members to work out stabilization programs as a sound basis for economic advance." The guidelines further provide that "in between these two clear-cut areas of responsibility … there is a broad range of matters which are of interest to both institutions. This range includes such matters as the structure and functioning of financial institutions, the adequacy of money and capital markets, the actual and potential capacity of the member to generate domestic savings, the financial implications of economic development programs, both for the internal financial position of the country and for its external situation, foreign debt problems, and so on."

4. The same guidelines also stipulate that "[on those matters in the area of primary responsibility of the Bank], the Fund, and particularly the field missions of the Fund, should inform themselves of the established views and position of the Bank and adopt those views as a working basis for their own work. This does not preclude discussions between the Bank and the Fund as to those matters, but it does mean that the Fund (and Fund missions) will not engage in a critical review of those matters with member countries unless it is done with the prior consent of the Bank." Corresponding provisions were made for the Bank and Bank missions.

5. While we reaffirm the principles of these guidelines, the overlap of activities of the two institutions has grown rapidly in the 1970s and 1980s as the Bank and the Fund have attempted to respond to the massive financing and adjustment requirements of members in a more difficult economic environment. In recognition of the longer-term and supply-oriented nature of the adjustment process, the Fund increased its consideration of structural issues in stand-by

arrangements; extended the repayment period of extended arrangements to 10 years; and introduced the concessional and relatively long-term Structural Adjustment Facility (SAF) and the Enhanced Structural Adjustment Facility (ESAF). In response to the serious balance of payments problems affecting many developing countries stemming from the sharp deterioration of the terms of trade and from the weakness in domestic policies and institutions, the Bank introduced Structural Adjustment Loans (SALs) in 1980 that provided financing in support of policies to promote structural, economy-wide changes and, subsequently, Sector Adjustment Loans (SECALs), which focused on structural changes in specific sectors.

6. There is continuous and successful cooperation between the Bank and the Fund. Close contacts between the two staffs contribute to a better understanding of economic problems and policy options, and normally lead to improved and consistent policy advice; better coordination of the amounts, forms, and timing of financial assistance; and a greater effectiveness in mobilizing additional financial support.

7. Yet, given the complexity of the problems faced by our members and the perspectives of the two institutions, it is not unusual that differences of view may sometimes arise. In a few cases, some significant differences about country priorities and policy have emerged. In some cases, they have spilled into discussions by the staff with country authorities. Differences of view have concerned a number of areas, including exchange rate, the level of external assistance sufficient to provide reasonable prospects for sustained and successful adjustment efforts and resumption of growth, the speed of adjustment, and the need to maintain adequate levels of public sector development expenditures. At other times, differences of view between the staffs of the two institutions have centered on the trade-off between efficiency gains from certain structural - measures to be accrued over time and balance of payments and budgetary impacts.

8. With the growing contiguity of the activities of the Bank and the Fund, we believe it is essential to strengthen collaboration, to ensure that conflicts of views are resolved at an early stage, do not surface in contacts with country authorities, and do not result in differing policy advice to member countries.

9. The Fund has among its purposes the promotion of economic conditions conducive to growth, price stability, and balance of payments sustainability and is required to exercise surveillance on a continual basis over the performance of its members as defined by Article IV. The Fund is empowered to provide temporary balance of payments financing to members to enable them to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity. Thus, the Fund has focused on the aggregate aspects of macroeconomic policies and their related instruments—including public sector spending and revenues, aggregate wage and price policies, money and credit, interest rates and the exchange rate. The Fund has to discharge responsibilities with respect to surveillance, exchange rate matters, balance of payments, growth-oriented stabilization policies and their related instruments. These are the areas in which the Fund has a mandate, primary responsibility, and a record of expertise and experience.

10. The Bank has the objective of promoting economic growth and conditions conducive to efficient resource allocation, which it pursues through investment lending, sectoral and structural adjustment loans. Thus, the Bank has focused on development strategies; sector and project investments; structural adjustment programs; policies which deal with the efficient allocation of resources in both public and private sectors: priorities in government expenditures; reforms of administrative systems, production, trade and financial sectors; the restructuring of state enterprises and sector policies. Moreover, as a market-based institution, the Bank also concerns itself with issues relating to the creditworthiness of its members. In these areas, except for the aggregate aspects of the economic policies mentioned in the previous paragraph, the Bank has a mandate, primary responsibility, and a record of expertise and experience.

11. While it is important to strengthen the framework for collaboration and to reduce the risk of conflict and duplication, both the Bank and the Fund must be allowed to explore their legitimate concerns with regard to macroeconomic and structural issues and to take them into account in their policy advice and lending operations. The 1966 guidelines stipulate that views on matters clearly within the area of "primary responsibility" of one or the other of the two institutions "should be expressed to members only by or with the consent of that institution." This provision remains appropriate. The procedures for enhanced collaboration spelled out below are designed to assure resolution of issues. It is, of course, equally important that borrowing countries be aware of the responsibility of the institution for policy advice in the areas of its primary responsibility.

12. The objective of the enhanced collaboration procedures is to avoid differing policy advice, but this does not mean that one institution should not engage in analyses in the areas of primary responsibilities of the other institution. On the contrary, the institutions and borrowing members normally stand to benefit from analyses from different perspectives, and thorough discussions between the two staffs are encouraged. In the event differences of view persist at the staff level even after a thorough common examination of them, and should the differences not be resolved by the management, the institution which does not have the primary responsibility would, except in exceptional circumstances, yield to the judgment of the other institution. In those cases, which are expected to be extremely rare, the managements will wish to consult their respective Executive Boards before proceeding. Also, in the interest of efficiency of staff resource use, each institution should rely as much as possible on analyses and monitoring of the other institution in the areas of primary responsibilities of the latter, while safeguarding the independence of institutional decisions.

Procedures for Enhanced Collaboration

13. Given the complexity of the problems handled, the differences in the mandates of the Bank and the Fund and the unique perspectives brought to bear on the assessment of country situations by the staffs of the two institutions, it is expected that differences of view will sometimes arise. Existing procedures and practices of Bank-Fund collaboration are designed to ensure the quality of analysis and policy advice, as well as thorough explorations of any differences of view that may emerge between the staffs. Typically, differences are worked out at

the working level and are resolved satisfactorily in the large majority of cases. However, in order to further strengthen existing procedures on Bank-Fund collaboration and to facilitate the resolution of any remaining differences of view, new or more formal steps have been agreed in the following areas:

I. Strengthening Collaboration

14. The daily interactions and ad hoc contacts involving managements and staffs (and monthly, as well as ad hoc, meetings between the Managing Director and the President) will be supplemented with regular meetings of the senior staff of each institution. In particular, there should be regular meetings between Bank Regional Vice Presidents and the corresponding Fund Area Department Directors to review current operational concerns. These meetings should anticipate and thus reduce the differences of view between staffs of the two organizations. In addition, meetings would be held at the senior level as required to review the strategies of each institution for countries of common concern. These meetings would normally be chaired by the Deputy Managing Director of the Fund and the Senior Vice President, Operations, of the Bank supported by a few senior staff on each side.

15. Whenever conditionality or advice to countries on major issues is involved, agreement should be sought promptly, beginning with working level staffs sharing information and views at the earliest possible stages, and involving their respective superiors when resolution at the working level cannot be achieved. It will be the responsibility of the managers to seek a resolution of any major differences of view between the institutions before the matter is discussed with the member, and before either staff makes proposals to the member. The Deputy Managing Director of the Fund and the Senior Vice President, Operations, of the Bank will meet to discuss any issues not resolved at the Fund Director/Bank Regional Vice President Level and advise, if necessary, the Managing Director and the President if any differences remain.

16. Existing procedures should be strengthened by a more systematic exchange of information on future country work and mission plans by country. Area Departments and Regions would be expected to maintain a forward-looking calendar of at Least one year that would be updated periodically. Deviations from the work plan or calendar would be communicated to the other institution without delay.

17. We also stand ready to establish, under the direction of the Fund's Director of Research and the Bank's Vice President, Development Economics, ad hoc study groups to examine analytical issues which may arise in the areas of common work between the two institutions.

18. In the low-income countries, PFP discussions should continue to be handled jointly and, whenever possible, with a single mission chief at an appropriate rank, on the basis of pre-agreed terms of reference. The decision on whether the chief of such joint missions should be from the Bank or from the Fund will be determined on a case-by-case basis. When parallel missions are in the field, they would be expected to cooperate fully and meet jointly with the country authorities, following positions clearly agreed on in advance. Assuming members agree, the Fund

management could issue an invitation for one or more Bank staff to be attached to missions involving the use of Fund resources in SAF/ESAF-eligible countries where the Bank was also financially active. Comparable provisions would be made to invite Fund staff to participate in Bank appraisal missions for SALs or SECALs in the same countries.

II. Improved Collaboration to Support Adjustment Programs

19. Under existing procedures, the Bank staff includes a discussion of the Fund's financial relations, the status of any negotiations for the use of Fund resources, and the results of any recent Fund reviews in the President's Report to the Bank's Executive Board on a proposed adjustment loan, since adjustment lending operations are not normally undertaken unless an appropriate Fund arrangement is in place. In the absence of a Fund arrangement, the Bank staff should ascertain whether the Fund has any major outstanding concerns about the adequacy of macroeconomic policies prior to formulating its own assessment in connection with the approval of the draft loan documents.[2] The Fund's assessment of macroeconomic policies is also taken into account in the Bank's assessment of its conditions prior to the release of subsequent tranches.

20. While the existing procedure functions well in most cases,[3] it is desirable to strengthen the coordination between the two institutions in this area. Such a need is particularly strong in the context of providing the Fund's assessment of macroeconomic policies for member countries where there are no existing Fund arrangements. Nonetheless, the economic situation or policies of the member may have changed significantly between consultations. In these cases the Bank will ask the Fund's views, leaving time for consultations with the country authorities as needed. In comparable circumstances, the Fund management will ask the Bank's staff views prior to recommending approval of an adjustment program involving the use of Fund resources.

III. A PFP-Like Document for Middle-Income Countries

21. Some Directors have suggested that consideration be given to preparing PFP-like documents for some middle-income countries requesting the use of Fund resources, particularly those requesting arrangements under the EFF.[4] While the preparation of medium-term plans could be useful for non-SAF-eligible countries where the member seeks a multi-year commitment of resources from its creditors or where structural changes are prominent in the programs (e.g., under the EFF), this matter would be presented to the Executive Boards for consideration after further consultations between the two staffs and managements.

IV. Collaboration in the Context of the Debt Strategy

22. In the context of the debt strategy, the Fund is looked to by the commercial and official financing communities for an assessment of balance of payments prospects and financing requirements of member countries undertaking stabilization programs. Bank views are sought with respect to Longer-term external resource requirements and growth prospects. In certain cases menu items play an important role in providing financing and contributing to a viable debt service profile over the medium term. Both institutions have an interest in this aspect of the member's

external position as it affects the member's medium-term balance of payments prospects and creditworthiness. Therefore, in order to better coordinate our assistance to debtor countries faced with the need to develop financial menu items and other innovative forms of financing, including those aimed at debt reduction, we will establish a task force to promote cooperation, analysis, and the exchange of information on the financing techniques by our institutions.

V. Collaboration in the Presence of Overdue Obligations

23. Both the Bank and the Fund urge members with overdue obligations to one or both institutions to become current with both. In practice, if a member country has overdue obligations to one institution, this will affect the other institution's assessment of the justification for extending its own financial assistance. Each institution's policies require that it review the ability of a member to meet its financial obligations in light of that member's discharge of its obligations to the other; Fund management would find it difficult to present a request for a Fund arrangement to the Executive Board for a member with overdue obligations to the Bank, both because of its implications for ability to meet Fund obligations and because continued access to Bank or IDA Lending is often necessary to ensure that an adjustment program is adequately financed. Fund management, therefore, proposes to seek the views of the Bank in all cases where the use of Fund resources was requested by a member with overdue obligations to the Bank, and would not be prepared to support such a request when arrears to the Bank were an indication that the resources of the Fund would not be safeguarded. Similarly, Bank management would advise its Board with regard to countries with overdue obligations to the Fund and would not be prepared to recommend approval of an IBRD or IDA loan, if the overdue obligations to the Fund were an indication that the resources of the Bank would not be safeguarded. Furthermore, the two managements will act in the full spirit of solidarity when one of the institutions is confronted with arrears, as such arrears constitute a major challenge to the cooperative nature of the institutions. They will, in such instances, provide their good offices and support to help eliminate those arrears.

VI. Independence of Institutional Decisions

24. Executive Directors of the Bank and the Fund have stressed repeatedly the need to avoid cross-conditionality: each institution must continue to proceed with its own financial assistance according to the standards laid down in its Articles of Agreement and the policies adopted by its Executive Board. Thus, although the Bank's assessment of structural and sectoral policies will continue to be an important element in decisions regarding Fund lending, the ultimate decision on whether to support the program rests with the Fund's Executive Board. Similarly, although the Fund's assessments will continue to be an important element in decisions regarding Bank adjustment lending, the ultimate decision rests with the Bank's Executive Directors.

25. Nevertheless, in the event that Fund management were to decide to submit a program for approval in spite of the Bank's reservations about structural policies or in the presence of arrears to the Bank, Fund management would present the case to an informal meeting of the Fund's Executive Board for discussion prior to communicating its decision to the member concerned. Bank management would adopt the corresponding procedure.

VII. Dealing with Other Institutions

26. Not only have the activities and roles of the Fund and the Bank expanded in relation to their members, coordinating activities to assist member countries in mobilizing resources have grown rapidly, as has the interest of other groups (the OECD, DAC, UN) in matters of debt and the resumption of growth. To avoid conflicting views from being expressed in reports to such organizations, to the maximum extent feasible, the draft reports prepared by either institution will be sent to the other well in advance of the circulation date for review and comments. This will provide an additional opportunity to identify possible problems and to resolve them.

VIII. Longer-Term Promotion of Mutual Understanding

27. To better acquaint staff of the two institutions with the thinking practices and constraints within which each institution operates, we propose to initiate an exchange of staff on two- to three-year secondments at the senior professional levels. During the period of the secondment, staff members would be wholly integrated into the regular staff of the institution to which they have been seconded. For administrative reasons, there might need to be some limit on the number of secondments at any one time.

28. While the measures set out above should go a long way toward resolving emerging differences of view and limiting potential areas of conflict, both the Fund and the Bank remain committed to a process of strengthening their collaboration in a longer-term perspective.

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[1] Additional collaboration procedures were added to the original guidelines in 1970, and guidelines, as expanded, were reviewed and affirmed by managements of both institutions in 1980, and by the Fund in 1984 and the Bank in 1985.

[2] SM/88/249 (11/14/88), pp. 4–6.

[3] Both the Staff Reports and Summings Up of Article IV consultations are made available to the Bank staff. Between consultations, the Bank staff is kept aware of the Fund staff's views and the results of other relevant Executive Board discussions on a continuous basis.

[4] See BUFF/88/92 (5/13/88), pp. 2–3; and "Proposals for Extending the Policy Framework Paper (PFP) Process to Middle-Income Debtors" (EBD/88/144, 5/31/88).

APPENDIX III. UN-IMF RELATIONSHIP AGREEMENT, 1947

Article I: General

1. This agreement, which is entered into by the United Nations pursuant to the provisions of Article 63 of its Charter, and by the International Monetary Fund (hereinafter called the Fund), pursuant to the provisions of Article X of its Articles of Agreement, is intended to define the terms on which the United Nations and the Fund shall be brought into relationship.

2. The Fund is a specialized agency established by agreement among its member governments and having wide international responsibilities, as defined in its Articles of Agreement, in economic and related fields within the meaning of Article 57 of the Charter of the United Nations. By reason of the nature of its international responsibilities and the terms of its Articles of Agreement, the Fund is, and is required to function as, an independent international organization.

3. The United Nations and the Fund are subject to certain necessary limitations for the safeguarding of confidential material furnished to them by their members or others, and nothing in this agreement shall be construed to require either of them to furnish any information the furnishing of which would, in its judgment, constitute a violation of the confidence of any of its members or anyone from whom it shall have received such information, or which would otherwise interfere with the orderly conduct of its operations.

Article II: Reciprocal Representation

1. Representatives of the United Nations shall be entitled to attend, and to participate without vote in, meetings of the Board of Governors of the Fund. Representatives of the United Nations shall be invited to participate without vote in meetings especially called by the Fund for the particular purpose of considering the United Nations point of view in matters of concern to the United Nations.

2. Representatives of the Fund shall be entitled to attend meetings of the General Assembly of the United Nations for purposes of consultation.

3. Representatives of the Fund shall be entitled to attend, and to participate without vote in, meetings of the committees of the General Assembly, meetings of the Economic and Social Council, of the Trusteeship Council and of their respective subsidiary bodies, dealing with matters in which the Fund has an interest.

4. Sufficient advance notice of these meetings and their agenda shall be given so that, in consultation, arrangements can be made for adequate representation.

Article III: Proposal of Agenda Items

In preparing the agenda for meetings of the Board of Governors, the Fund will give due consideration to the inclusion in the agenda of items proposed by the United Nations. Similarly, the Council and its commissions and the Trusteeship Council will give due consideration to the inclusion in their agenda of items proposed by the Fund.

Article IV: Consultation and Recommendations

1. The United Nations and the Fund shall consult together and exchange views on matters of mutual interest.

2. Neither organization, nor any of their subsidiary bodies, will present any formal recommendations to the other without reasonable prior consultation with regard thereto. Any formal recommendations made by either organization after such consultation will be considered as soon as possible by the appropriate organ of the other.

Article V: Exchange of Information

The United Nations and the Fund will, to the fullest extent practicable and subject to paragraph 3 of Article I, arrange for the current exchange of information and publications of mutual interest, and the furnishing of special reports and studies upon request.

Article VI: Security Council

1. The Fund takes note of the obligation assumed, under paragraph 2 of Article 48 of the United Nations Charter, by such of its members as are also Members of the United Nations, to carry out the decisions of the Security Council through their action in the appropriate specialized agencies of which they are members, and will, in the conduct of its activities, have due regard for decisions of the Security Council under Articles 41 and 42 of the United Nations Charter.

2. The Fund agrees to assist the Security Council by furnishing to it information in accordance with the provisions of Article V of this agreement.

Article VII: Assistance to the Trusteeship Council

The Fund agrees to co-operate with the Trusteeship Council in the carrying out of its functions by furnishing information and technical assistance upon request, and in such other similar ways as may be consistent with the Articles of Agreement of the Fund.

Article VIII: International Court of Justice

The General Assembly of the United Nations hereby authorizes the Fund to request advisory opinions of the International Court of Justice on any legal questions arising within the scope of the Fund's activities other than questions relating to the relationship between the Fund and the United Nations or any specialized agency. Whenever the Fund shall request the Court for an advisory opinion, the Fund will inform the Economic and Social Council of the request.

Article IX: Statistical Services

1. In the interests of efficiency and for the purpose of reducing the burden on national Governments and other organizations, the United Nations and the Fund agree to co-operate in eliminating unnecessary duplication in the collection, analysis, publication and dissemination of statistical information.

2. The Fund recognizes the United Nations as the central agency for the collection, analysis, publication, standardization and improvement of statistics serving the general purposes of international organizations, without prejudice to the right of the Fund to concern itself with any statistics so far as they may be essential for its own purposes.

3. The United Nations recognizes the Fund as the appropriate agency for the collection, analysis, publication, standardization and improvement of statistics within its special sphere, without prejudice to the right of the United Nations to concern itself with any statistics so far as they may be essential for its own purposes.

4. (*a*) In its statistical activities the Fund agrees to give full consideration to the requirements of the United Nations and of the specialized agencies.

(*b*) In its statistical activities the United Nations agrees to give full consideration to the requirements of the Fund.

5. The United Nations and the Fund agree to furnish each other promptly with all their non-confidential statistical information.

Article X: Administrative Relationships

1. The United Nations and the Fund will consult from time to time concerning personnel and other administrative matters of mutual interest, with a view to securing as much uniformity in these matters as they shall find practicable and to assuring the most efficient use of the services and facilities of the two organizations. These consultations shall include determination of the most equitable manner in which special services furnished by one organization to the other should be financed.

2. To the extent consistent with the provisions of this agreement, the Fund will participate in the work of the Co-ordination Committee and its subsidiary bodies.

3. The Fund will furnish to the United Nations copies of the annual report and the quarterly financial statements prepared by the Fund pursuant to section 7 (*a*) of Article V of its Articles of

Agreement. The United Nations agrees that, in the interpretation of paragraph 3 of Article 17 of the United Nations Charter it will take into consideration that the Fund does not rely for its annual budget upon contributions from its members, and that the appropriate authorities of the Fund enjoy full autonomy in deciding the form and content of such budget.

4. The officials of the Fund shall have the right to use the *laissez-passer* of the United Nations in accordance with special arrangements to be negotiated between the Secretary-General of the United Nations and the competent authorities of the Fund.

Article XI: Agreements with Other Organizations

The Fund will inform the Economic and Social Council of any formal agreement which the Fund shall enter into with any specialized agency, and in particular agrees to inform the Council of the nature and scope of any such agreement before it is concluded.

Article XII: Liaison

1. The United Nations and the Fund agree to the foregoing provisions in the belief that they will contribute to the maintenance of effective co-operation between the two organizations. Each agrees that it will establish within its own organization such administrative machinery as may be necessary to make the liaison, as provided for in this agreement, fully effective.

2. The arrangements provided for in the foregoing articles of this agreement shall apply, as far as is appropriate, to relations between such branch or regional offices as may be established by the two organizations, as well as between their central machinery.

Article XIII: Miscellaneous

1. The Secretary-General of the United Nations and the Managing Director of the Fund are authorized to make such supplementary arrangements as they shall deem necessary or proper to carry fully into effect the purposes of this agreement.

2. This agreement shall be subject to revision by agreement between the United Nations and the Fund from the date of its entry into force.

3. This agreement may be terminated by either party thereto on six months' written notice to the other party, and thereupon all rights and obligations of both parties hereunder shall cease.

4. This agreement shall come into force when it shall have been approved by the General Assembly of the United Nations and the Board of Governors of the Fund.

Source: Horsefield (1969).

APPENDIX IV. DEPTH OF ENGAGEMENT FRAMEWORKS IN IMF STRATEGIES, POLICY, AND GUIDANCE: DESK ANALYSIS METHODOLOGY

A desk analysis was undertaken for the IEO Evaluation on The Evolving Application of the IMF's Mandate Background Paper on IMF Engagement with Partners: Towards a Coherent Framework. The desk analysis assessed IMF strategies for five newer policy areas approved by the Executive Board during the evaluation period. These were: Framework for Enhanced Engagement on Governance (2018); A Strategy for IMF Engagement in Social Spending (2019); Strategy to Help Members Address Climate Change Related Policies (2021); The Rise of Digital Money: A Strategic Plan (2021); and Gender Mainstreaming Strategy (2022).

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 (relevance; efficiency; coherence; effectiveness; sustainability; and impact) and possible indicators shown below. Each strategy was then assigned a depth rating based on a four-scale rating scale ("low"; "moderate"; "substantive"; and "high") depending on the extent to which the criteria were incorporated in the strategy. The analysis did not assess the quality of the strategies or the quality of coverage regarding engagement with other organizations.

List of Criteria and Illustrative Indicators

Relevance

Indicators: sets of objectives for the engagement (high-level institutional; activity level); states the objectives for the IMF; states the objective for other organization(s)/partner(s); explains how the engagement is bounded by the Fund's macrofinancial mandate; sets out comparative advantage for the Fund and other organization(s).

Efficiency

Indicators: lists actual or intended organization(s); explains how it will choose organization(s)/ partner(s); notes resources (e.g., dedicated or equivalent FTE that will be devoted or defrayed given the engagement); notes how the work will be paid for (e.g., IMF budget source, external funding); discusses cost/benefit analysis of entering engagement with organization(s)/partner(s).

Coherence

Indicators: discusses how engagement with organization(s)/partner(s) fits into framework, principles, or guidance on collaboration at the IMF; discusses consistency or how engagement coheres with operational policies and guidance across the Fund's work agenda; discusses whether and by whom the work will be monitored/reviewed (e.g. Strategy and Policy Review

Department, departmental hub, Management, all); discusses learning feedback loops to be created across operational lines.

Effectiveness

Indicators: calls for briefing or review of engagement with external organization(s)/partner(s), either independently or jointly; provides indicative benchmarks for how to gauge success of engagement, including whether it is achieving intended outcomes for the Fund and the membership.

Sustainability

Indicators: discusses how to determine whether the engagement is sustainable; provides for cost/benefit analysis for continuation of engagement; links internal monitoring mechanisms with decisions on course corrections where needed, continuation of engagement; discusses how to incorporate views of organization(s)/partners when deciding on continuation of engagement.

Impact

Indicators: discusses how the impact of the engagement will be measured; discusses possible risks (reputational, legitimacy, financial, operational) when engaging with organization(s) or not engaging; discusses possible implications for the ability of the Fund to carry out its mandate depending on whether and how it engages with organization(s)/partners, particularly in newer policy areas beyond its traditional core.

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