



# Introduction

1. This evaluation is a first effort by the IEO to assess self-evaluation in the IMF. Evaluation consists of the systematic examination of activities, programs, and policies in order to assess past performance, learn from experience, and guide future action. Self-evaluation comprises the evaluation activities and outputs undertaken by Staff, Management, and the Executive Board (“the Board”). These activities and outputs range from informal team discussions following the conclusion of a surveillance or program mission, to mechanisms for tracking the effectiveness of activities, to formal reports reviewing the policies or practices that serve as the basis for Board decision making. Self-evaluation examines evidence from experience to assess compliance with organizational policies, analyzes how well policies and practices are executed, and considers whether they are advancing organizational objectives.

## Why Is Self-Evaluation Important?

2. A robust evaluation function promotes the acquisition of knowledge drawn from past experience, encourages the design of policies and activities with clear and monitorable goals, and fosters a stronger learning culture. Evaluation contributes to the governance of public institutions and improves organizational effectiveness by fostering organizational learning and establishing a framework for accountability.<sup>1</sup> Learning and accountability are mutually reinforcing: lessons set standards for accountability, and accountability motivates learning. Evaluation also serves to enhance transparency about the decisions and effectiveness of public sector organizations, and thus can contribute to their legitimacy.

<sup>1</sup>In public organizations, evaluation should provide an impetus for adopting better practices—an impetus that market forces provide for private enterprises.

3. Like most other international financial institutions (IFIs), the IMF has two types of evaluation: self-evaluation and independent evaluation. Both contribute to learning and accountability, but they have different relative strengths. Because self-evaluation is conducted within the IMF Management structure, it benefits from ready access to information and expertise; because lessons are generated by Staff they contribute more directly to learning and can have a more timely impact on policies and practices (Picciotto, 2013). Independent evaluation, which in the IMF is conducted by the IEO, is shielded from internal dynamics and established approaches and therefore is seen as a more credible accountability tool. In addition, both types of evaluation can contribute to institutional transparency. **Box 1** further discusses the respective roles and complementarities of self- and independent evaluation.

## What Are the Main Characteristics of an Effective Self-Evaluation Function?

4. To be effective, a self-evaluation function needs to be supported by certain interrelated policy, organizational, and cultural characteristics. First, an organization should have policies or guiding principles that define what needs to be evaluated, by whom and how, and how evaluation results should be disseminated and used to enhance effectiveness and strengthen accountability.<sup>2</sup> Second, systems should be in place for gathering, monitoring, and disseminating evaluative evidence; and time and resources should be made available for analyzing and reflecting on experience.<sup>3</sup>

<sup>2</sup>For further details on recommended elements of evaluation policies at IFIs, see “Good Practice Standards on Evaluation” in ECG (2012); OECD (1991); and United Nations (2015).

<sup>3</sup>According to Morra Imas and Rist (2009), to be successful every monitoring and evaluation system needs ownership, management, maintenance, and credibility.

### Box 1. Self-Evaluation and Independent Evaluation: Respective Roles and Complementarities

Self-evaluation is conducted by staff or consultants under the same management structure that established the policies and implemented the programs being evaluated. It assesses compliance with organizational policies, the effectiveness of policies and practices, and it considers how to improve them. It can include real-time as well as ex post examination of experiences. Because the resources devoted to self-evaluation in IFIs are typically larger than those devoted to independent evaluation, self-evaluation can cover a larger share of activities. By its nature, self-evaluation entails greater organizational ownership of conclusions—which facilitates learning and the implementation of recommendations—and thus has a comparative advantage in facilitating learning. Information gathered through self-evaluation can provide building blocks for independent evaluation.

Independent evaluation is conducted by units or individuals that do not report to the management structure but rather to a board or another oversight body. Independent evaluation is intended to provide an objective perspective and frank assessment without being limited by internal dynamics. It is well positioned to ask not only whether an organization is “doing things right” but also whether it is “doing the right things.” Independent evaluation challenges preconceptions and interests embedded

in self-evaluation. It can validate or provide counterweights to conclusions reached through self-evaluation. Therefore, independent evaluation is generally viewed as a more reliable accountability tool. At the IMF, independent evaluation is conducted by the IEO, which operates independently from IMF Management and at arm’s length from the Executive Board. IEO’s mission is to enhance the organization’s learning culture, strengthen the IMF’s external credibility, and support the Board’s institutional governance and oversight responsibilities (Lamdany and Edison, 2012).

Both self- and independent evaluation functions can play important roles in enabling institutional learning, in providing a framework for accountability, and in enhancing transparency. They can complement and strengthen each other if their respective roles are well understood, incentives are structured appropriately, and the organization has a culture geared to learning and transparency.

In most other IFIs, another important role for independent evaluation is to provide periodic assessments of the self-evaluation system, by examining self-evaluation processes, the quality of analyses, and the follow-up in terms of learning and implementation. This evaluation is the first such assessment undertaken by the IEO.

Third, learning is facilitated by self-evaluation that is conducted consciously and explicitly, with clearly articulated lessons. Finally, as a means for improvement, the organization should encourage candor and openness about performance. These characteristics are critical for self-evaluation to foster organizational learning.

5. Most IFIs have an evaluation policy that sets out, to different degrees of detail, the types of activities and outputs that need to be evaluated. Often, these evaluation policies explain the purpose and value of self-evaluation within the organization. Generally, they set standards and assign responsibilities for carrying out and following up on evaluations. Some policies also specify mechanisms for disseminating and disclosing evaluation results. While some policies are very detailed, others are more principles-based. In most IFIs, it has been common practice to subject all lending operations and technical assistance to self-evaluation, but the scope and depth of these evaluations have varied widely. IFIs also vary widely in their practices for

self-evaluation of operational policies and strategies. Key elements of IFI evaluation policies and practices are discussed in more detail in [Annex 1](#).

### How Did the IEO Assess Self-Evaluation in the IMF?

6. This evaluation examines the overall approach to self-evaluation in the IMF and the extent to which self-evaluation contributed to systematic learning and accountability and to institutional effectiveness and transparency. It covers the work of all operational units during the period since 2006.<sup>4</sup> In examining the overall

<sup>4</sup>It does not examine self-evaluation of administrative functions, such as human resources management, budget activities, and audit functions, which may be the focus of a future evaluation. Thus, this evaluation did not cover the Human Resources Department, Office of Budget and Planning, Technology and General Services Department, and Office of Internal Audit and Inspection (OIA), although their

approach to self-evaluation, the evaluation considered whether the IMF had an institution-wide framework or policy setting out the scope and methods of self-evaluation, and it explored the extent to which self-evaluation covered the core functions of the IMF (i.e., lending, surveillance, and capacity development).

7. The evaluation examined the relevance, quality, and utilization of activities and outputs that contributed to self-evaluation. It assessed relevance by gauging the extent to which self-evaluation focused on policies, strategies, activities, and outputs that affect a large share of the membership or that have a very significant impact on some members. To assess quality, the evaluation examined the documentation of performance, distillation of lessons, and the willingness and ability of Management and Staff to be candid about the activity being assessed and the lessons to be learned. To assess utilization, the evaluation explored the mechanisms in place to disseminate lessons and the extent to which

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work ultimately affects the effectiveness of IMF operations in regard to member countries. In particular, it does not cover OIA audits, almost all of which focus on internal processes, and which are subject to separate external quality assessments—the most recent of which was transmitted to the Executive Board in 2013. Also, since FY2013, the IMF has had an important monitoring and evaluation tool focused on administrative issues, the “Accountability Framework.” This tool establishes a process for setting institutional goals, provides for monitoring of key administrative indicators (e.g., related to budget, work-life balance, and space utilization), and allows for prioritization and Management oversight of departmental objectives.

these lessons were subsequently used to inform operational practices or policies.

8. Evaluation evidence was gathered through document reviews; a survey of IMF staff; interviews of IMF staff and Executive Directors; and consultations with evaluation experts, officials from member countries, and former senior IMF staff through interviews, workshops, and seminars. To develop a basis for comparison, the evaluation team examined self-evaluation frameworks at other IFIs. Detailed evaluation questions and a discussion of evaluation methods, as well as sources of evidence, are provided in [Annex 2](#).

9. The remainder of this report is structured as follows. [Chapter 2](#) examines the overall approach to and mechanisms for self-evaluation at the IMF. [Chapter 3](#) assesses self-evaluation of IMF-supported programs. [Chapter 4](#) assesses self-evaluation undertaken in reports that the IMF staff prepares for Board review of policies and institution-wide issues. [Chapter 5](#) appraises self-evaluation of capacity building activities. [Chapter 6](#) considers self-evaluation by the Executive Board. [Chapter 7](#) discusses conclusions and recommendations, while [Table 3](#) presents high-level recommendations for Board consideration. Five annexes discuss, respectively: self-evaluation at other international organizations; the evaluation methods and sources of evidence; the abstracts of three Background Papers; informal self-evaluation activities at the IMF; and relevant findings from past IEO evaluations.