

FOREWORD

This evaluation has been one of the IEO's most ambitious undertakings. The IMF's Capacity Development (CD) work now represents about one third of the IMF's administrative budget. Moreover, the evaluation examines the full range of issues that influence how effective the IMF has been in meeting the CD needs and expectations of recipient countries, as well as the Fund's institutional objectives. The evaluation is timely, given that the Fund is about to embark on its next five-year CD strategy review.

Overall, the evaluation reaches a positive assessment of IMF CD. It finds that it has generally been relevant, valued, and effective in supporting member countries build institutional capacity in a very wide range of country circumstances. Recipients, donors, and the wider membership all see IMF CD as being of the highest technical quality in the areas of the Fund's core expertise and judge that it has become better tailored to recipient needs and circumstances in recent years. The IMF has also put substantial effort into integrating CD with surveillance and programs, which has enhanced its overall engagement with member countries.

While recognizing these achievements, the evaluation also identifies a number of important challenges facing IMF CD. It makes recommendations in seven broad areas seeking: to enhance the strategic framework for prioritization of CD work; to deepen information available to Executive Directors and opportunities to exercise their strategic oversight role; to further strengthen the integration of CD with surveillance and programs; to boost CD ownership and provide effective delivery; to bolster the monitoring and evaluation framework; to reinforce the sustainability and flexibility of the CD funding model; and to gear HR policies and incentives to ensure the needed expertise in both the Fund's core and newly emerging CD topics.

I am pleased that Executive Directors broadly supported the IEO's findings and recommendations and look forward to a strong implementation plan aimed at further strengthening the Fund's capacity development.

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