

**Statement by the Managing Director on the
Independent Evaluation Office Report on Revisiting Past IEO Evaluations—IMF
Technical Assistance**

I would like to thank the Independent Evaluation Office (IEO) for preparing this concise report, which provides an update of the progress made in technical assistance prioritization, delivery and effectiveness, as well as monitoring and evaluation following the 2005 evaluation of IMF Technical Assistance. I broadly concur with the findings of this follow-up report, including the issues that are identified as meriting continued attention.

Technical assistance is a core activity of the Fund, accounting for over one-fifth of our operating budget. Together with training, technical assistance seeks to help build institutions and capacity in member countries to formulate and implement sound economic and financial policies. About two-thirds of the IMF's technical assistance benefits low-income and lower-middle-income countries, with considerable resources devoted to post-conflict countries and small states.

Given the integral and complementary role that technical assistance plays for other IMF activities, in particular surveillance and lending, I am pleased about the finding that substantial progress has been made since the last IEO evaluation in all strands of technical assistance prioritization, delivery, and monitoring and evaluation. Indeed, as the IEO points out in this follow-up report, we have taken steps to better prioritize technical assistance allocation in light of increasing demand, technical assistance departments have adopted various quality-control and self-assessment practices, and we are vigorously promoting results-based technical assistance management.

While the findings of the report are in many ways reassuring, we are committed to continue strengthening our delivery of technical assistance. The IEO's report identifies a number of areas that merit our continued attention.

- *Prioritization of technical assistance* remains a challenge in an environment in which country requests exceed the Fund's capacity to meet them. The Executive Board endorsed in mid-2013 the principle of a two-level prioritization system that accounts for both the demand from member countries and the IMF's strategic objectives. As suggested in the report, in implementing this approach we will have to find a proper balance between the two levels. We are currently finalizing the first annual resource allocation cycle using the new prioritization system, and we will in due course reflect on this initial experience and refine the process as needed.
- We are mindful of the challenges that the IMF's increasingly decentralized model of technical assistance poses for *quality assurance*. Amid rising service delivery in the

field, technical assistance departments have proportionately increased their oversight of field experts by headquarters staff (“backstopping”). However, quality control is a central matter that we will keep under continuous review. Our commitment remains to maintain the high quality standards that have always characterized the IMF’s delivery model of technical assistance.

- Strengthening *complementarities between technical assistance and training* to harness synergies remains a major objective for the IMF. As noted in the report, we have pursued this objective with the creation in 2012 of the Institute for Capacity Development (ICD) and we expect that going forward the 2013 strategy for capacity development will contribute to greater coordination of activities across departments. While more time is needed to fully assess progress in this area, some initial examples of closer integration between technical assistance and training include the development of new training courses in cooperation with Regional Technical Assistance Centers (RTACs) and the coordination of training and technical assistance on banking supervision and regulation in Central America.
- *Evaluation and regular reviews* contribute to good governance. As noted in the report, efforts are ongoing to implement on a Fund-wide basis an enhanced results-based management framework for technical assistance and training, which would be part of a broader and more unified approach to evaluation. We are hopeful that a more unified approach, which was endorsed by the Executive Board in 2013, can foster greater learning from past experiences and provide a clear framework for accountability. As suggested in the IEO report, we will monitor the impact of this new approach as it is being rolled out and implemented.

Overall, many of the new initiatives to strengthen the delivery of technical assistance are still under implementation. In light of this, I agree with the suggestion made in the IEO report that a more comprehensive assessment of the IMF’s technical assistance should wait a few years. A broader staff review of the Fund’s capacity development activities is expected to be completed no later than June 2017.