

Foreword

This evaluation investigated the effectiveness of IMF interactions with member countries. It found that IMF interactions were least effective with advanced and large emerging economies, together accounting for about 90 percent of global GDP. Interactions were most effective with low-income countries (those eligible for the Fund's Poverty Reduction and Growth Facility), and, to a lesser extent, with other emerging economies, reflecting the broad effectiveness of interactions in a program and/or technical assistance context. In general, interactions contributed to a good exchange of views and provided objective assessments. However, in other areas, including the international dimensions of IMF surveillance, effectiveness and quality were not rated highly. Outreach with stakeholders beyond government was found to contribute little to the effectiveness of IMF interactions. The evaluation also found that interactions were undermanaged, although some individuals managed particular interactions very well.

The evaluation's recommendations aim at improving the effectiveness of core IMF activities, which will be more important as the financial crisis subsides. They are also relevant to the implementation of initiatives that have taken shape since the close of the evaluation period and that are too recent to be assessed—both the new responsibilities supporting international policy coordination that the IMF has been given in the wake of the crisis, and the new country-level approaches that the IMF has adopted. As Executive Directors stressed in their discussion of the report in December 2009, concerns raised in the evaluation about the effectiveness and independence of Fund surveillance in advanced and large emerging economies merit serious consideration. The perceived lack of candor and value-added, and concerns about evenhandedness, point to challenges requiring close follow up.

Going forward, IMF management's formulation of a plan to implement the recommendations endorsed by the Board will provide an opportunity to consider how these issues will be managed in the context of a time-bound action plan with monitorable benchmarks for assessing results. Given the critical importance of interactions to the Fund's overall effectiveness, ongoing and future IEO evaluations will have more to say about them in particular contexts. In the meantime, it is hoped that this report will contribute to a fruitful debate about how best to pursue the needed improvements.



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