

Foreword

“The crisis has changed us—new approaches, new tools, new relevance. The key contours of the future IMF are emerging... So what should the Fund look like for the future? First off: The IMF must always be a trusted advisor.” (The Managing Director’s Annual Meetings Speech, Tokyo, October 12, 2012).

How well does the IMF perform this trusted advisor role in the eyes of country authorities? Does the Fund facilitate an environment that encourages country authorities to test their own ideas, discuss sensitive policy areas, and seek out the Fund’s advice?

Providing policy advice to its member countries is an integral part of carrying out the Fund’s mandate to foster macroeconomic stability and thereby facilitate prosperity. Ultimately, the means to achieve these goals is to have Fund policy advice translated into concrete action. Key to achieving such traction is the receptivity of countries to advice, which depends not only on their confidence in the quality and relevance of the advice, but also on the relationship established between Fund staff and member country authorities. The evaluation explores these issues on the basis of evidence gathered since 2005, but emphasizes the period since the onset of the global crisis in 2007–08.

This evaluation finds that, in the aftermath of the global crisis, the Fund’s image has improved markedly, with the Fund now viewed as more flexible and responsive than in the past. However, the evaluation also identifies some long-standing problems and other challenges that can undermine trust in the Fund and that should be addressed if the Fund is to sustain the progress observed. What are these problem areas and challenges?

An important challenge is to reduce the perceived tension between the Fund’s dual roles of trusted advisor and watchdog. Another challenge facing the Fund is improving the value-added and relevance of Fund advice, including through enhancing country-specific knowledge, avoiding overly generic advice, and bringing to the table policy lessons from other countries’ experiences. An additional critical issue for the Fund is overcoming a perception of lack of evenhandedness, which is still prevalent among the membership, particularly for large emerging markets.

The evaluation also detected a significant potential demand by country authorities to use the Fund as an informal sounding board to discuss, for example, hypothetical courses of action at an early stage of policy formulation. But there is often a reluctance to approach the Fund owing to uncertainties as to whether the content of such informal brainstorming will be disclosed. Clarifying what should or should not be disclosed could go a long way toward strengthening the role of the Fund as a trusted advisor.

I am encouraged by the broad agreement, expressed by the Managing Director and the Executive Board, with the findings and recommendations of this report. I hope that this evaluation will prove useful to the Fund’s stakeholders in their ongoing efforts toward strengthening the Fund’s effectiveness.

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