

## THE CHAIRMAN'S SUMMING UP THE ROLE OF THE IMF AS TRUSTED ADVISOR

Executive Board Meeting 13/10  
February 1, 2013

Executive Directors expressed appreciation for the report by the Independent Evaluation Office (IEO) on the role of the IMF as a trusted advisor. They supported the thrust of the IEO recommendations to further improve the quality and traction of Fund advice to its members, and concurred with the IEO that there are various ways to make these recommendations operational.

Directors welcomed the findings that a large majority of country authorities hold positive views of the Fund and its work, and that the Fund's image has improved markedly in the aftermath of the global crisis. Directors recognized possible tradeoffs and complementarities in the different roles that the Fund plays in interactions with its members. They agreed, however, that additional efforts are needed to enhance the role of the Fund as a trusted advisor to the membership.

In this connection, Directors broadly endorsed five of the IEO's six high-level recommendations aimed at strengthening the Fund's engagement with its membership, namely: (i) enhance the value-added of Article IV consultations for country authorities; (ii) strengthen the continuity of the relationship between the Fund and member countries; (iii) reduce unnecessary disclosure concerns; (iv) work closely with country authorities to design a customized outreach strategy; and (v) implement the Fund's transparency policy in a uniform and fair manner. On the recommendation to incorporate the views of all countries during the preparation of major policy papers, Directors supported the need for extensive consultation with the membership, but there was limited support for setting out all views in the papers.

Directors, however, held different views on how these recommendations could best be implemented.

In particular, Directors supported early informal consultations with country authorities on key areas of interest for upcoming consultations and stressed that their offices could play a key role in this process and, more broadly, in promoting dialogue between missions teams and country authorities. Directors, nonetheless, had different views on whether sharing the macroeconomic framework and key policy recommendations with the authorities ahead of missions would add value to Article IV consultations.

Regarding the recommendation to strengthen the continuity of the relationship between the Fund and member countries, many Directors did not support the development of medium-term strategic plans, which would introduce more bureaucratic processes. A number of Directors agreed on the need to develop incentives for staff to better act as a trusted advisor, while a few others were concerned about how such incentives might affect the independence of staff advice. A number of Directors emphasized the importance of lengthening staff country assignments, and a number of others called for increased staff diversity. A few Directors expressed concerns about the report finding that downsizing may have undermined the breadth of the policy dialog with country authorities. Many Directors supported the need for the Fund to address the perception of lack of evenhandedness in the treatment of member countries. A number of Directors suggested that addressing governance deficiencies in the Fund would help mitigate this perception.

In line with established practices, management and staff will give careful consideration to today's discussion in formulating the implementation plan, including approaches to monitor progress.