

Foreword

In the context of continuing debate about the role of the IMF in aid to low-income countries, the Independent Evaluation Office evaluated what, and how well, the IMF has done on aid to Sub-Saharan Africa. It focused on IMF policy and practice in operations supported by the Poverty Reduction and Growth Facility (PRGF), the IMF's main instrument for operational work in low-income countries during the 1999–2005 review period.

The report finds ambiguity and confusion about IMF policy and practice on aid and poverty reduction. Affected areas include the IMF's role in the mobilization of aid, the analysis of alternative aid scenarios, poverty and social impact assessments of macroeconomic policies, and pro-poor and pro-growth budget frameworks. The report also finds a disconnect between the IMF's external communications on aid and poverty reduction, and its practice in low-income countries.

More fundamentally, the report finds differences of views among members of the Executive Board about the IMF's role and policies in low-income countries. Management—along with the Board—should have done more to resolve these differences. Lacking clarity on what they should do on the mobilization of aid, alternative scenarios, and the application of poverty and social impact analysis, IMF staff tended to focus narrowly on macroeconomic stability, in line with the institution's core mandate and their deeply ingrained professional culture.

How these differences are to be narrowed going forward—whether by managing commitments and communications *down* or by ramping implementation *up*—remains a central policy challenge for the IMF. The overarching message of the evaluation is that the Fund should be clearer and more candid about what it has undertaken to do, more assiduous, transparent, and accountable in implementing its undertakings, and more proactive in working with partners, such as the World Bank, with complementary mandates.

This message is especially important for the IMF's work in low-income countries of Sub-Saharan Africa, given the major challenges those countries face in meeting the Millennium Development Goals and other objectives.



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