

# Executive Summary

**T**his evaluation seeks to help the IMF enhance its effectiveness by identifying major recurring issues from the IEO's first 20 evaluations and assessing where they stand. These issues have affected the IMF's performance in all of its core areas of responsibility: surveillance, lending, and capacity development. Their recurrence in different contexts in multiple IEO evaluations suggests that they are intrinsic to the nature of the institution, with deep roots in its culture, policies, and governance arrangements.

The evaluation has been prepared in response to the 2013 *External Evaluation of the IEO*, which proposed that the IEO prepare a review of “generic and substantive issues” that are not “encapsulated in specific recommendations” but deserve monitoring. The *External Evaluation* made this proposal as a way to strengthen the follow-up process for Board-endorsed IEO recommendations, which in its authors' view had become a “box-ticking” exercise that tended to dilute their substance (Ocampo, Pickford, and Rustomjee, 2013, pp. 23–24, 26). This report aims to contribute to strengthening the follow-up process by focusing on key issues that have recurred in IEO evaluations, rather than on specific recommendations and their implementation.

The present evaluation focuses on recurring issues in the following five areas:

- *Executive Board guidance and oversight;*
- *Organizational silos;*
- *Attention to risks and uncertainty;*
- *Country and institutional context; and*
- *Evenhandedness.*

The evaluation finds that though the Board and Management have taken actions to address each of the five sets of issues, challenges remain in each, and are likely to persist. To varying degrees, these challenges all emanate from the IMF's character as a multilateral institution with multiple objectives and a complex governance structure. Despite their difficulty, efforts to address these issues are important for enhancing the IMF's effectiveness and

credibility. More can and should be done, especially in terms of broad-based, strategic responses.

## Issues for Board Consideration

The recurring issues identified by the evaluation in five areas—(i) Executive Board guidance and oversight, (ii) organizational silos, (iii) attention to risks and uncertainty, (iv) country and institutional context, and (v) evenhandedness—are to varying degrees inherent to the nature of the IMF and are thus likely to present ongoing challenges for the institution. This raises the question of how best to address them, going forward, in view of the IMF's overall institutional priorities and resource constraints. Despite their long-term nature, the IMF should try to mitigate their adverse impact while keeping these issues at the forefront of its agenda.

This evaluation, given its nature as a stock-taking exercise and in keeping with the suggestion of the 2013 *External Evaluation of the IEO*, does not propose specific recommendations on how to address the five sets of issues reviewed in the report. Nonetheless, after preparing this evaluation, the IEO believes that a framework of reviewing and monitoring recurring issues would be useful in establishing incentives for progress, strengthening the Board's oversight, and providing learning opportunities for the IMF.

In light of this conclusion, the IEO recommends that the following reports be prepared for the Board periodically:

- An IEO report, similar to this one, identifying and reviewing important issues that have recurred in its evaluations. This could be done every five years.
- A status report, prepared by staff, to monitor the progress the IMF has made in addressing recurring issues, focusing on the big picture rather than on the implementation of specific IEO recommendations that will continue to be monitored via the Periodic Monitoring Report (PMR). The first staff report could be prepared within two years, followed by similar reports every five years thereafter.