

THE ACTING CHAIR'S SUMMING UP

IEO EVALUATION OF RESEARCH AT THE IMF—RELEVANCE AND UTILIZATION

Executive Board Meeting 11/60
June 13, 2011

Executive Directors welcomed the IEO report, noting that it provides a balanced assessment of the quality, relevance, management, and utilization of IMF research. They were particularly encouraged by the overall finding that a large number of IMF analytical papers are of high quality, widely read, and appreciated by country authorities and the research community. Noting that IMF research is of uneven quality and perceived to be message-driven, however, Directors saw scope for enhancing the relevance and technical quality of the analytical work, openness to alternative points of view, and coordination of research activities across the institution. Directors looked forward to considering concrete steps to take forward the IEO recommendations, complementing efforts underway.

Key IEO Findings

Directors broadly shared the main IEO findings. They concurred that, while global and core macroeconomic issues were adequately covered in IMF research, up until 2008, there were some gaps in the coverage of macro-financial linkages and capital account issues. They acknowledged, however, that efforts since then have narrowed these gaps, and urged staff to build on this progress. Directors also noted gaps in country-level research, especially for low-income countries where the influence of IMF research on policymaking is greatest.

Directors expressed concern regarding the finding that the technical quality of the various research products is uneven. Some Directors pointed out that the different purposes and intended audiences of different research outputs call for a differentiated approach to assessing quality.

Directors considered worrisome the finding that there is a widely held perception that IMF research is message-driven, or that policy conclusions do not always follow from the analysis. While recognizing that research produced by the IMF will inevitably carry

policy messages—especially surveillance-oriented research—they considered it critical for the credibility of the institution that the conclusions of in-house research are not biased by the IMF's position on the subject or excessively influenced by other work done internally, and, conversely, that its policy advice is grounded on robust analysis. In this context, many Directors underlined the importance of addressing concerns about the internal culture and institutional values—identified in previous IEO evaluations—with a number of Directors regarding staff diversity in terms of academic background and professional experience as critical in this regard. More broadly, Directors stressed that IMF research should aim primarily at improving the analytical tools for the IMF to carry out its core mission.

Directors agreed on the need for improved dissemination of IMF analytical work, allowing a wider group of stakeholders to distill relevant lessons and increasing its contribution to the policy debate. They welcomed the progress made since 2008 on this front, such as the new *“Research at the IMF”* website and the new *Staff Position/Discussion Note* series, and encouraged continued efforts in this area.

IEO Recommendations

Directors broadly endorsed the main recommendations of the IEO, and looked forward to further analysis and discussion in the context of the forthcoming Management Implementation Plan.

Directors generally saw merit in conducting a periodic strategic review of research products. Management and staff were encouraged to focus on how best to allocate resources among the various research product lines, balancing the trade-off between quantity and quality of research products; and to strengthen quality controls, the internal review process, and incentives to enhance the technical

content of research, while taking into account budget constraints. More specifically, some Directors suggested re-examining the value-added of *Regional Economic Outlook* reports, while a few highlighted their usefulness to intended audiences. Most Directors also supported the IEO recommendation to set an indicative medium-term research agenda, possibly in consultation with member countries and the Executive Board, although a few Directors were not in favor of Board involvement in the agenda-setting process. At the same time, Directors underscored the need to retain adequate flexibility for staff to take on independent research projects.

Directors broadly supported the IEO recommendation to consult more with country authorities on research topics prepared for bilateral and regional surveillance, particularly for *Selected Issues Papers*. Recognizing that staff and the authorities do not always agree on the prioritization of issues, Directors agreed that staff should remain free to research the issues that they feel are most important. Longer country assignments for

mission members could facilitate collaboration with authorities and enhance familiarity with country-specific conditions.

Directors agreed on the need to improve the management of IMF research and were open to the various proposals to achieve that objective. These include designating a Research Coordinator, or setting up a committee of department heads or department research coordinators chaired by management, tasked with coordinating activities across the IMF and setting standards for quality reviews, as well as addressing other weaknesses identified in the IEO report. A few other Directors cautioned that a centralized approach could undermine innovative thinking. Directors emphasized that, in promoting internal collaboration, efforts should be made to preserve healthy intellectual competition across departments. Before implementing new initiatives, many Directors called for an examination of the reasons behind the failure of similar efforts in the past, including the currently inactive Committee on Research Priorities.