

## Evaluation Framework

### A. Scope

11. The evaluation focuses on analysis and advice on reserves related to two of the IMF's major functions: promoting the stability of the international monetary system and promoting external stability in its member countries.

12. The evaluation covers the period from 2000 to 2011. The beginning corresponds to the start of a substantial buildup of reserves in a number of countries after the Asian financial crisis. The end of the period was chosen to elicit views on reserve accumulation resulting from experiences during the recent financial crisis and to incorporate perspectives on policy initiatives recently proposed by IMF staff on reserve adequacy (IMF, 2011b).

13. The evaluation of the IMF's bilateral advice is based on the experience of 43 economies representing emerging market and advanced countries (Annex 1). Given the concern about excessive reserve accumulation that motivated the evaluation, the sample includes most holders of large international reserves, as determined by the absolute size of reserves and the magnitude and speed of reserve accumulation during the evaluation period.<sup>2,3</sup> The sample also includes a number of other advanced and emerging market economies whose recent experience has a bearing on the IMF's policy advice on reserves. These include countries that have recently increased their reserves, and those that requested access to IMF financing in the aftermath of the crisis. Countries were also chosen to reflect a number of different economic characteristics considered relevant for the evaluation, and to provide for regional balance.

<sup>2</sup>The emphasis on large reserve holders implies that the evaluation's findings with regard to bilateral advice do not necessarily apply to all IMF members, in particular to countries where insufficient reserves have been a policy concern.

<sup>3</sup>Overall, countries in the sample account for a significant amount of global reserve levels and accumulation in the past decade, 89 percent of total global international reserves at end-2011, and 94 percent of the total growth of official reserves during 2008–11. The figures refer to official reserves excluding gold.

### B. Methods and Sources

14. The evaluation relied on a broad range of evidence. The evaluation team used information collected during semi-structured interviews conducted on the basis of questionnaires to facilitate comparability and comprehensiveness. It solicited the views of IMF senior staff, former Management, Executive Board members, current and former senior country officials and policymakers, and representatives from other international organizations (Asian Development Bank, Bank for International Settlements (BIS), European Central Bank (ECB), Organization for Economic Cooperation and Development), financial markets, think tanks, and academia.<sup>4</sup>

15. The evaluation team reviewed a wide range of IMF internal and publicly available documents including: IMF Management and senior staff speeches and statements, IMF policy and strategy papers, IMFC communiqués, multilateral surveillance documents (in particular, the *World Economic Outlook (WEO)*, *Global Financial Stability Report (GFSR)*, and documents from the G-20 Mutual Assessment Process); and documents related to the conduct of bilateral surveillance, primarily Article IV country reports and selected issues papers. The analysis relies on triangulation, a common evaluation technique, to examine the information gathered from the different sources. It takes concurrence in findings as validation.

16. The evaluation utilized relevant findings of previous IEO evaluations, notably IEO (2003, 2005, 2007, and 2011). It was also informed by findings and recommendations of background papers prepared for the evaluation.<sup>5</sup>

<sup>4</sup>Altogether the evaluation benefited from the views of more than 300 interviewees.

<sup>5</sup>Aizenman and Genberg (2012), Banerji and Martinez (2012), and Dhar (2012).