



Independent Evaluation Office
of the International Monetary Fund



PROGRESS REPORT TO THE IMFC ON THE ACTIVITIES OF THE INDEPENDENT EVALUATION OFFICE OF THE IMF

April 14, 2025

Overview. Since the 2024 Annual Meetings, the Independent Evaluation Office (IEO) completed its evaluation of The IMF's Exceptional Access Policy and announced plans to launch an evaluation of IMF Engagement on Debt Issues in Low-Income Countries. The IEO is also progressing on its ongoing evaluations of IMF Advice on Fiscal Policy and The IMF and Climate Change, alongside developing an Evaluation Policy that will clarify the purpose and modus operandi of the IEO, while responding to the recommendations from the Fourth External Evaluation of the IEO.

IEO Work Program

Completed (December 2024): The IMF's Exceptional Access Policy (EAP). The evaluation was completed and discussed by the Executive Board on December 5, 2024. It examines the rationale and evolution of the policy since 2002, the application of the exceptional access criteria, and the variations in program design and implementation. It finds that, relative to the previous ad hoc approach, the EAP represents an improvement that better balances rules with flexibility in assisting members with their financing needs by compelling staff, management, and the Executive Board to consider key aspects of exceptional access programs in a structured manner. At the same time, the evaluation finds gaps in the design of the policy, such as the need for clearer guidance on some of the criteria, and on the implementation of the enhanced decision-making procedures, the content and use of ex post evaluations (EPEs), and the alignment between the EAP and the IMF's enterprise risk management policy. The report makes five recommendations which received broad support from the Executive Board: (i) conducting regular EAP reviews that take due account of overarching factors, such as the adequacy of access limits, including attention to the erosion of quotas, and the need to balance rules and flexibility; (ii) clarifying the fundamental role of sound program design in providing higher safeguards in exceptional access cases, with clear justification for policy choices and trade-offs, and disclosure of related risks to the Executive Board; (iii) addressing technical gaps in the criteria to facilitate better alignment with the EAP's objectives and enhance evenhandedness; (iv) strengthening the application of the EAP's enhanced procedures and better leveraging EPEs; and (v) establishing greater coherence between the EAP and the IMF's enterprise risk management policy.

In Progress: IMF Advice on Fiscal Policy. Following the discussion of the issues paper with the Executive Board in May 2024, the evaluation has made steady progress and is anticipated to be completed in the latter half of 2025. This evaluation assesses the Fund's advice on fiscal policies, focusing on surveillance messaging, while also considering selected lending program messaging

for countries with frequent program arrangements with the Fund. Key areas of inquiry will include advice on fiscal sustainability, stabilizing output over the cycle, and raising potential output while ensuring provision of public goods for advanced economies, emerging market and middle-income economies, and low-income countries; the alignment between corporate and multilateral surveillance messaging and country-level recommendations; and the advice on selected structural fiscal issues (such as fiscal institutions and rules and debt management).

In Progress: The IMF and Climate Change. The IEO launched an early-stage evaluation to assess the Fund's approach to climate change. The issues paper was discussed with Executive Board members in September 2024. The evaluation will focus on (i) the adaptation of multilateral and bilateral surveillance following the implementation of the 2021 Climate Strategy; (ii) the Fund's lending operations, particularly related to design of the Resilience and Sustainability Trust (RST) and arrangements under the Resilience and Sustainability Facility (RSF); (iii) capacity development work; (iv) internal and institutional issues; and (v) the Fund's role within the global architecture for climate governance and financing. The evaluation is scheduled for completion in the first half of 2026.

In Development: IMF Engagement on Debt Issues in Low-Income Countries. Following a consultative process with the Executive Board, management, staff, and external stakeholders, the IEO updated its list of [possible topics for future evaluations](#) and discussed it informally with the Executive Board on November 21, 2024. On December 20, 2024, the IEO announced a new evaluation on [the IMF engagement on debt issues in low-income countries](#). The evaluation issues paper is currently being prepared; it is scheduled for discussion with the Executive Board in May 2025, and will subsequently be published on the IEO website. The evaluation is scheduled for completion in the second half of 2026.

Other Issues

- **Evaluation Policy.** The IEO is developing an Evaluation Policy, to be presented to the Executive Board by Q3 of 2025. The policy will follow best practices shared among the IFIs' evaluation functions and will address the recommendations of the [Fourth External Evaluation of the IEO](#), broadly endorsed by the Executive Board. On October 21, 2024, the Board discussed and approved the proposed changes to the IEO's HR policy in line with the external evaluators' recommendations.
- **Management Implementation Plans (MIPs).** On February 25, 2025, the Executive Board approved the Management Implementation Plan (MIP) that addresses the recommendations of evaluation of The Evolving Application of the IMF's Mandate (June 2024). Following the Executive Board's discussion of the evaluation of The IMF's Exceptional Access Policy in December 2024, the staff is now working on the MIP, which is anticipated to be discussed in the upcoming months.
- **Seminar Series.** In the last six months the IEO seminar series has included events on the main finding and recommendations of the evaluation on The IMF's Exceptional Access Policy; rethinking fiscal consolidation; challenges and opportunities of the energy transition; the economics of AI; and inflation and central bank pressures.