

Conclusion: What Is to Be Done?

The IMF is a remarkable organization. Its work is outstanding and continues to improve. The world has changed and with it the Fund, to address the evolving challenges of the world economy. The same can be said of the IEO, though it is many years younger. The IEO has grown in stature and lent credibility to the work of the Fund. Its presence has enabled those outside the organization to see the Fund as becoming a more accountable institution, learning from the past, and adapting to new challenges. We have no doubt that independent evaluation has played a significant role in contributing to the improvement of the IMF.

But to us as authors, having seen what the IEO produces, and having observed the multiple challenges it still faces within the organization, it is clear that the independent evaluation function within the Fund can and should play a much bigger role in promoting a more effective organization.

As mentioned in the introduction of this book, the benefits of independent evaluation for accountability and learning in IFIs have long been recognized. However, independent evaluation in these organizations is of increased relevance during uncertain times that call for more credible and legitimate institutions, as it offers assurances to their membership that they stay focused on their objectives and mandates. Hence, the Fund must embrace independent evaluation, as it functions as an amalgamating force that helps to keep the membership together during turbulent times.

The IEO and the Fund are bound together. They co-habit the same institution and they need each other for the successful implementation of their respective work, but they have not yet developed the partnership that would bring out the best of the two. The IEO has gained its position and status within the Fund and the international community as an entity that adheres to its mandate, is independent, and does serious and careful work. It is well established and well regarded. For its part, the IMF has clearly benefited from the IEO and increased its credibility because of the IEO. But the Fund has not genuinely embraced independent evaluation. Thus the coexistence has areas of success but also of missed opportunities.

How can this situation be improved, so that the Fund benefits much more from the knowledge and analysis provided by the IEO? The challenge we have elucidated is for the IMF and the IEO to create a shared culture and encourage the leadership to be more receptive to critical and sometimes unwelcome advice. The IMF's organizational culture, and the values and culture of the leadership, have profound roles to play in any improved relationship between the IMF and the IEO. If the positive value of independent evaluation is accepted and signals are sent that the IMF benefits from the IEO's work, then we can attain a "win-win" situation for both the Fund and the IEO.

Creating this type of culture is the joint challenge that we see for the IMF and IEO, neither of which can create the necessary culture alone. The IEO's role is to foster a more open and accountable organization. The Fund's part is to make sure that it actually reaps all the benefits of independent evaluation.

While the Executive Board and senior staff have roles to play in fostering a more open and welcoming independent evaluation culture within the Fund, we particularly call on to the management of the organization to be more active in this regard. This is because we believe that management holds the key for transmitting to the rest of the Fund the importance of independent evaluation, as well as for signaling to staff a commitment to learn from evaluation reports and embracing the purpose and mission of the IEO. Management's involvement is crucial because, even if procedures change so as to facilitate IEO's work (as they have), the ultimate obstacle to the use of independent evaluation is that the Fund has not yet established the proper atmosphere or culture to truly absorb and apply IEO evaluation findings and lessons. We conclude that there is no incentive to systematically learn from independent evaluation because the Fund identifies the IEO as essentially an accountability device rather than as both an accountability and learning instrument. And this approach can only change if the management of the Fund—as a matter of priority—introduces and leads a managed change process towards a culture that is more open and receptive to the learning gathered by independent evaluation.

As mentioned earlier in this book, the creation of an independent evaluation office within an organization inevitably creates some structural tensions. These tensions may be necessary for the Fund to reap all the benefits of independent evaluation. However, we believe the management of the organization needs to set the tone on how this friction is to be handled, by modeling how to foster a proper appreciation for what the IEO does and what it offers, so that the culture of evaluation

within the IMF is more deeply rooted and the Fund benefits more from independent evaluation.

We propose that independent evaluation should serve as an input for the management of the organization to bring about change and that independent evaluation should be its best ally in promoting the required change. Only when IMF management recognizes the IEO as a collaborator in promoting learning within the Fund will the IMF be able to fully transform itself into a genuine learning organization.

IMF management needs to make the IEO's success its own objective. It is essential that management help the Fund understand that the IEO's success is a prerequisite for a more effective organization. Thus, management has a fundamental role to play in making sure that the IEO remains independent, that procedures to learn from the past actually work, that the follow-up process for IEO reports functions well, that the staff has adequate mechanisms to discuss IEO's findings, and that staff actions do not impede the IEO from carrying out its work.

We understand the staff's attitude towards the IEO. While some staff are supportive, the staff writ large tends to be defensive, in favor of the status quo, and dismissive of what it perceives to be outsider suggestions on how it should do its work. But what about management? Management must assume the role of promoting the IEO within the Fund, transmitting its usefulness and value to the organization, encouraging staff to apply for IEO jobs, and continuously being open to the guidance that IEO provides to the organization. Management should adopt a positive attitude towards IEO reports, even if it does not agree with some of their findings and recommendations; make use of these reports to promote change within the Fund; and ultimately make the IEO's mission its own. In other words, for the IMF's own benefit, we call for a stronger partnership between IMF management and the IEO.

Independent evaluation should be management's partner since it is undertaken with no other objective than to contribute to the learning process of the Fund and provide a fresh view of the issues. These are features that should be embraced and valued, and from which management can only benefit and construct a better organization. Management should be more open, receptive, and focused on the ultimate message of IEO analysis, and use this analysis to learn and instill change.

The guidelines and protocols that govern IEO procedures and interactions in the Fund distinguish clearly between staff and management roles regarding the IEO. There are good reasons for this distinction: staff and management face different incentives and have different objectives concerning the IEO. But in practice staff and management

procedures and roles regarding the IEO have differed little: staff and management have, most of the time, acted as one entity and one voice vis-à-vis the IEO, and management seems to have delegated to staff most if not all of its responsibilities concerning the IEO.

This lack of differentiation between the respective roles of management and staff towards the IEO perpetuates the current situation in which systematic learning from evaluation is hindered. No doubt the management of the Fund has many priorities, with urgent matters requiring attention. But independent evaluation addresses matters that go beyond the current juncture, and most of the time have to do with issues that have long-lasting effects on the organization. Independent evaluation, too, requires the undivided attention of management.

By no means should IMF management stop listening to staff views and concerns regarding IEO reports; but the challenge that management faces is to discern the value in IEO findings, to understand that the staff faces different incentives than does management, and to decide how best to proceed to improve performance even if the staff tends to resist. Management needs to distinguish the ultimate objective of IEO's analysis and, if convinced of the merits, make sure the organization is headed in that particular direction.

What the Fund needs is an honest and genuine willingness to learn from the past, and this can only emerge from a strategic and conscious decision by management, with readiness to monitor reforms and the determination to instill this attitude in staff. What is required is management's undeterred commitment to undertake the unending journey of a truly learning organization, and to make sure that IEO's work is a fundamental piece of this rewarding strategy.