

# The Learning-Accountability Spectrum in IEO Evaluation Reports

This chapter examines how the IEO has sought to reconcile the two main objectives of evaluation. As will be seen, the IEO has served as both an accountability and learning instrument for the IMF. The chapter analyzes findings across IEO evaluation reports and presents data that reveals how during the last six years the IEO has increased efforts to simultaneously achieve both of these objectives. The chapter concludes with further analysis on the tension between learning and accountability as well as on the role of self-evaluation in promoting these two objectives.

## The IEO, Learning, and the Fund

Is the IEO in a position to promote learning in the Fund? The Fund has a very qualified staff. The IEO is a small office within the Fund, and it is fair to ask how such a small office can serve as a learning mechanism for the whole organization. The answer, in this context, is in the affirmative, and mainly because the IEO is independent and can benefit from hindsight.

As discussed above, the origins of the IEO were clearly aligned to emphasize accountability more than learning, and, in our view, management and staff perceive the IEO to serve more of an accountability than learning function. Should the IEO therefore emphasize accountability and sideline its efforts to encourage learning inside the organization? If the IEO were to do so, the status quo would perhaps suffice and there would no longer be a need to look for alternatives to the ways in which the IEO and the larger Fund operate. Under this scenario any resistance from management and staff to the IEO could understandably be attributable to the IEO's accountability role. The IEO would continue to present its findings and the public at large would be able to judge their merit and relevance. Management and staff could openly disagree with these findings, but it is the IEO's role as an accountability device that would form the basis of its relationship among Fund stakeholders.

Yet the IEO's terms of reference call on the IEO to serve both accountability and learning functions in the IMF. The IEO's mandate entails enhancing the learning culture within the Fund, strengthening the Fund's external credibility, and supporting the Executive Board's institutional governance and oversight responsibilities (IMF, 2000b). In order for the

Fund to benefit from the learning elements in evaluation reports, there needs to be a means to reduce the conflict and distrust that might arise in the accountability context. The accountability role, which occasionally induces defensiveness from management and staff to IEO reports, can be detrimental to an open and vibrant learning culture in the IMF.

One way of creating an environment in which the Fund is more receptive and less confrontational to the IEO's analysis would be if the IEO were to reduce, indeed sacrifice, some of its independence. This option needs to be rejected outright. Softer and less direct analysis is not helpful for the institution, and it would not guarantee that management and staff would be more receptive. Moreover, a less independent evaluation function within the Fund would result in the IEO transforming itself into another unit under the control of management, and thereby foregoing its most valuable comparative advantage.

Alternatively, should the IEO diminish its emphasis on accountability? By no means. Summary reports with softer analysis and fewer statements of causality would contradict IEO's objectives and be detrimental to the Fund. Thus, if the IEO is to remain a center of independent evaluative analysis, the fundamental question remains of how it can balance the twin responsibilities of ensuring accountability and promoting learning.

## Accountability and Learning Findings in IEO Reports

To date, the IEO has produced 26 reports since it began operations in 2001. To better understand the learning-accountability spectrum across this body of work, the findings in each report were analyzed.<sup>1</sup> First, each evaluation finding was assigned only one of three classifications: mutually exclusive accountability; mutually exclusive learning; or composite learning and accountability.<sup>2,3</sup> Second, the average share of each type of finding per calendar year, based on the issue date of the report, was calculated in order to observe any pattern over time. Third, the evaluations were grouped into four broad topics: crisis-related; policy advice/surveillance; operational policy/practice; and governance/IMF mandate (Table 5.1). The average share per group was calculated in order to note any observable pattern with regard to topic.

<sup>1</sup> This analysis was undertaken by Alisa Abrams of the IEO. It excludes the evaluation report on *The IMF and the Crises in Greece, Ireland, and Portugal* which was not completed until mid-2016.

<sup>2</sup> The analysis counted the findings presented in the body of the report and thus it did not tabulate conclusions or recommendations. Findings that had to do with country performance or learning, if distinct from IMF performance or learning, were not included in the tabulation.

<sup>3</sup> "Accountability" findings were comprised of those statements presenting evidence or assessment as to whether or the extent to which the IMF (Executive Board, management, or staff) had

**Table 5.1. Topical Grouping of IEO Evaluations, 2002–15**

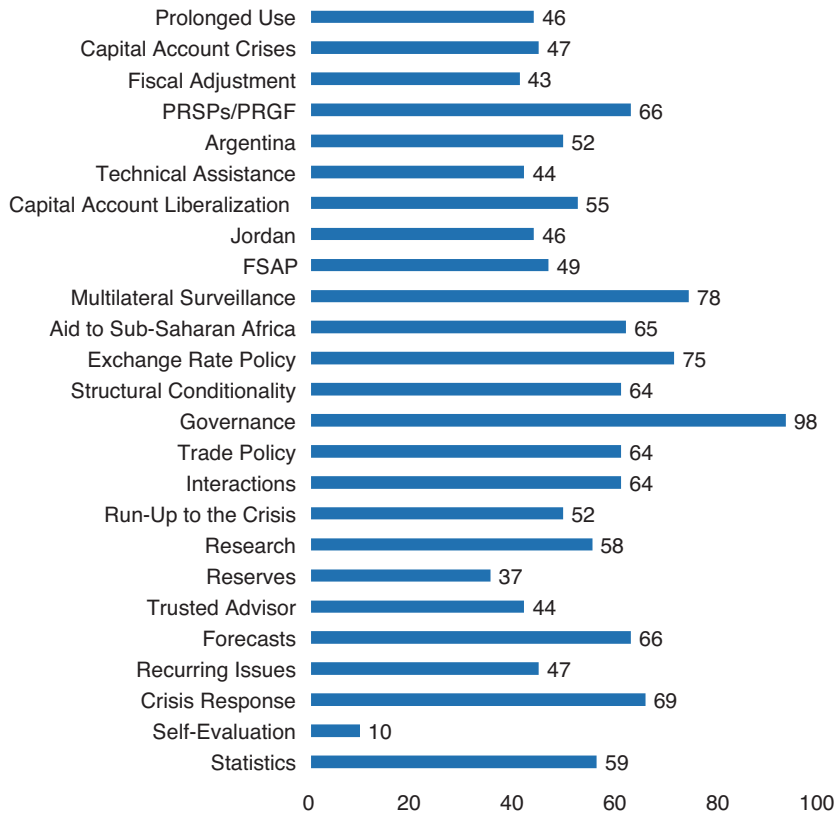
<b>Topical Grouping</b>	<b>IEO Evaluations (Title/Year)</b>
Crisis-related	<i>The IMF and Recent Capital Account Crises: Indonesia, Korea, Brazil</i> (2003) <i>The IMF and Argentina, 1991–2001</i> (2004) <i>IMF Performance in the Run-Up to the Financial and Economic Crisis</i> (2011) <i>IMF Response to the Financial and Economic Crisis</i> (2014)
Policy Advice/ Surveillance	<i>Fiscal Adjustment in IMF-Supported Programs</i> (2003) <i>The IMF's Approach to Capital Account Liberalization</i> (2005) <i>Multilateral Surveillance</i> (2006) <i>IMF Exchange Rate Policy Advice</i> (2007) <i>IMF Involvement in International Trade Policy Issues</i> (2009) <i>Research at the IMF: Relevance and Utilization</i> (2011) <i>International Reserves: IMF Concerns and Country Perspectives</i> (2012) <i>IMF Forecasts: Process, Quality, and Country Perspectives</i> (2014) <i>Behind the Scenes with Data at the IMF: An IEO Evaluation (aka Statistics)</i> (2015)*
Operational Policy/ Practice	<i>Evaluation of Prolonged Use of IMF Resources</i> (2002) <i>Evaluation of the IMF's Role in Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility</i> (2004) <i>IMF Technical Assistance</i> (2005) <i>IMF Support to Jordan, 1989–2004</i> (2005) <i>Financial Sector Assessment Program</i> (2006) <i>The IMF and Aid to Sub-Saharan Africa</i> (2007) <i>Structural Conditionality in IMF-Supported Programs</i> (2007) <i>Self-Evaluation at the IMF: An IEO Assessment</i> (2015)
Governance/Fund Mandate	<i>Governance of the IMF: An Evaluation</i> (2008) <i>IMF Interactions with Member Countries</i> (2009) <i>The Role of the IMF as Trusted Advisor</i> (2013) <i>Recurring Issues from a Decade of Evaluation: Lessons for the IMF</i> (2014)

\* The *Statistics* report was completed in 2015 and delivered to the Board in early January 2016.

developed, implemented, or complied with policy or guidelines; fulfilled its mandate as provided in the Articles of Agreement; or executed evenhanded treatment of the membership in its program support, surveillance, capacity development, or governance activities. “Learning” findings were comprised of those statements presenting evidence or assessment as to whether or the extent to which the IMF had learned from past experience or that there was a need for the IMF to learn relative to the issue at hand. Combined “Learning and Accountability” findings were comprised of statements that included both a learning and accountability element. An example of an accountability finding is: “The institution’s operational guidance is not clear on what IMF staff are to do on aid” (*The IMF and Aid to Sub-Saharan Africa*, 2007). An example of a learning finding is: “A good resident expert seems to be the one able to adapt to the environment of the country in question” (*IMF Technical Assistance*, 2005). An example of a learning/accountability finding is: “IMF advocacy of fiscal consolidation proved to be premature for major advanced economies, as growth projections turned out to be optimistic” (*IMF Response to the Financial and Economic Crisis*, 2014).

**Figure 5.1. Share of Accountability Findings, 2002–15, by Evaluation Report**

(In percent)



Note: FSAP=Financial Sector Assessment Program; PRSPs/PRGF=Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility.

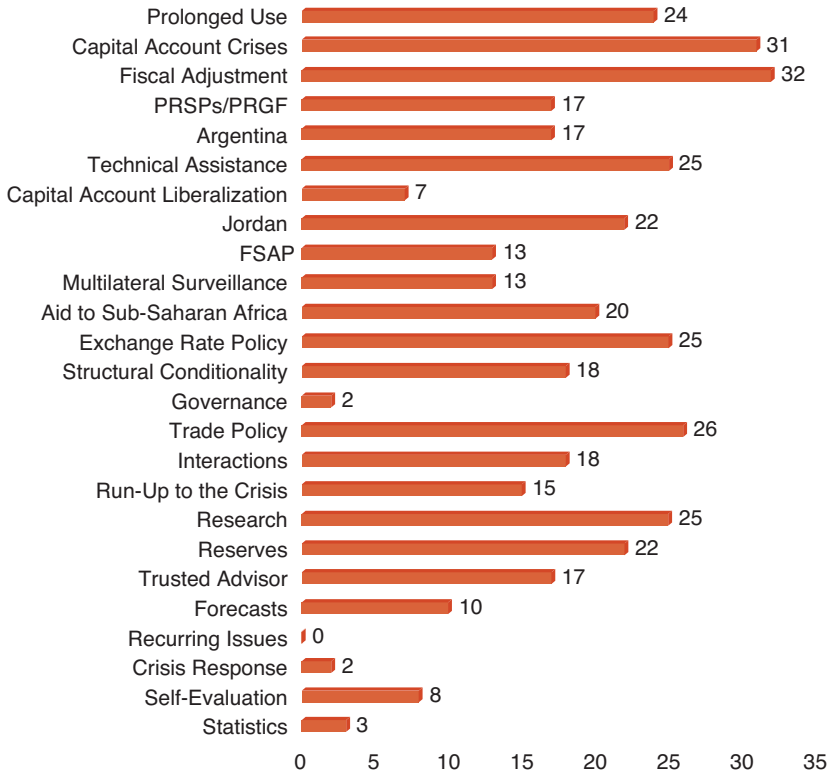
### Type of Findings

While there was considerable variation across individual evaluation reports, accountability findings comprised the largest share in all but 3 of the 25 reports reviewed. Of all findings over all years, accountability findings accounted for 56 percent; learning findings accounted for 17 percent; and learning/accountability findings accounted for 28 percent.<sup>4</sup>

As shown in [Figure 5.1](#), three evaluation reports (*Multilateral Surveillance*, *Exchange Rate Policy Advice*, *Governance*) predominantly

<sup>4</sup> The average share by type of finding was calculated using two methods. The first method excluded the *Governance* and *Self-Evaluation* reports, which were outliers (the former with regard

**Figure 5.2. Share of Learning Findings, 2002–15, by Evaluation Report (In percent)**



Note: FSAP=Financial Sector Assessment Program; PRSPs/PRGF=Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility.

contained accountability findings. Seven reports (*PRSPs/PRGF*, *Aid to Sub-Saharan Africa*, *Structural Conditionality*, *Trade Policy*, *Interactions*, *Forecasts*, *Crisis Response*) each contained approximately two-thirds accountability findings (ranging from 64 percent to 69 percent). And all but one of the 15 remaining reports contained over one-third to over one-half accountability findings (ranging from 37 percent to 59 percent).

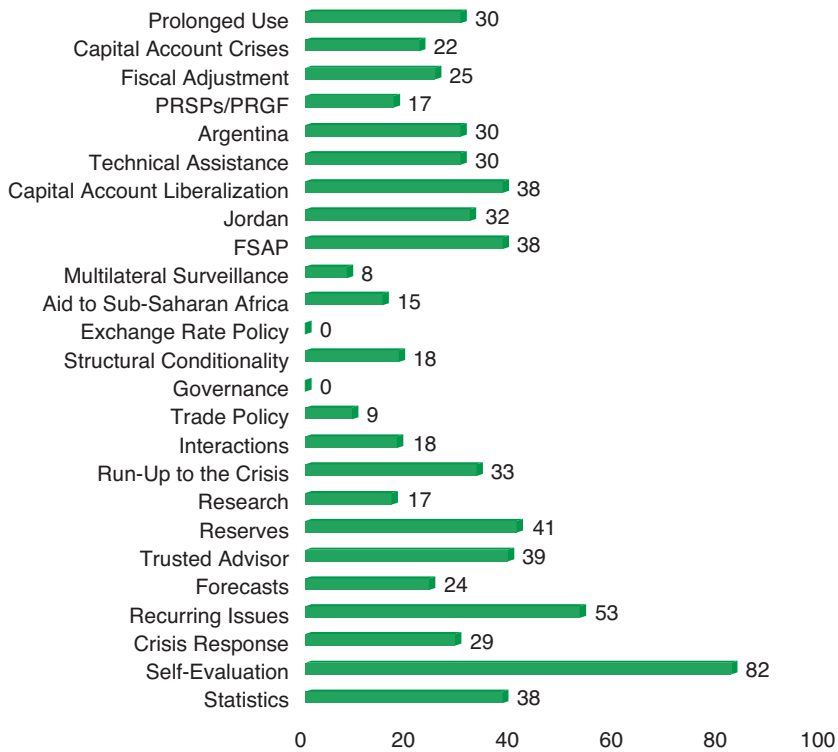
Conversely, as shown in [Figure 5.2](#), mutually exclusive learning findings were the least frequent type of findings. Two evaluation reports

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to accountability findings and the latter with regard to composite learning/accountability findings). The second method did not exclude these reports. When using the second method, the difference was minimal; thus the above discussion reflects these results. Using the exclusion method, the average share of accountability findings was 58 percent; the average share of learning findings was 15 percent; and the average share of learning/accountability findings was 27 percent.

**Figure 5.3. Share of Learning/Accountability Findings, 2002–15, by Evaluation Report**

(In percent)

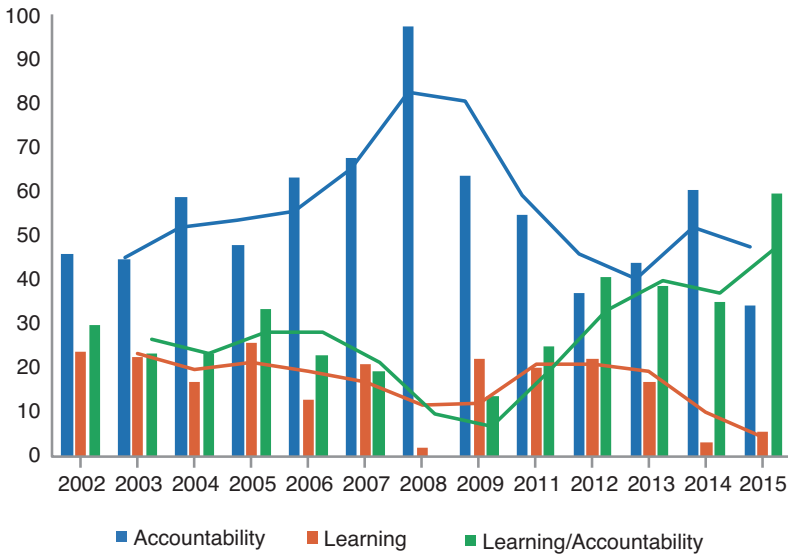


Note: FSAP=Financial Sector Assessment Program; PRSPs/PRGF=Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility.

contained nearly one-third learning findings (*Capital Account Crises, Fiscal Adjustment*), while five reports contained about one-quarter (*Prolonged Use, Technical Assistance, Exchange Rate Policy, Trade Policy, Research*).

An interesting observation emerged with regard to composite learning/accountability findings. Not only did all but two evaluation reports (*Governance, Exchange Rate Policy*) contain this type of finding, it featured in varying amounts in the rest of evaluation reports. As shown in [Figure 5.3](#), composite learning/accountability findings predominated in the *Self-Evaluation* report (82 percent) and accounted for more than half (53 percent) of the findings in the *Recurring Issues* report. Six evaluations (*Capital Account Liberalization, FSAP, Crisis Run-Up, Reserves, Trusted Advisor, Statistics*) contained between one-third and one-half learning/accountability findings (ranging from 33 percent to

**Figure 5.4. Share of Type of IEO Findings over Time, 2002–15**  
(In percent)



Note: IEO did not produce an evaluation in 2010.

41 percent), while another six evaluations contained between one-quarter and one-third learning/accountability findings (*Prolonged Use, Fiscal Adjustment, Argentina, Technical Assistance, Jordan, Crisis Response*).

### Temporal Patterns

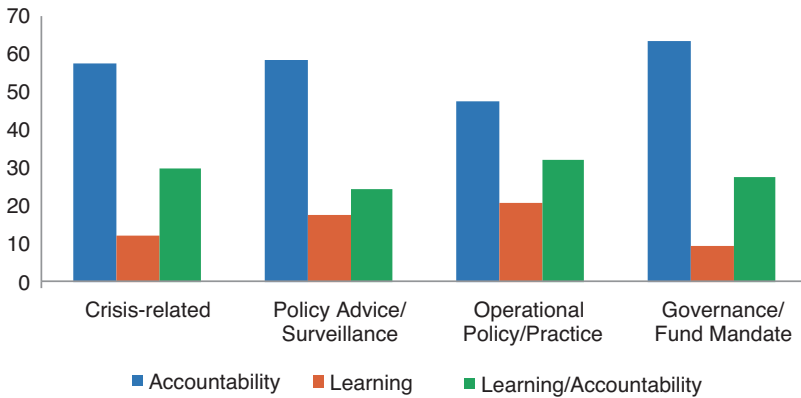
As noted above, accountability findings accounted for just over half of all findings across all years on average; learning findings accounted for less than one-fifth; and learning/accountability findings accounted for over one-fourth. The proportional distribution among accountability, learning, and combined learning/accountability findings across IEO evaluations was relatively constant until the global economic and financial crisis evaluation period (i.e., 2011 onward), when a steady increase began in the share of combined learning/accountability findings (Figure 5.4).

### Topical Patterns

The proportional distribution of accountability, learning, and learning/accountability findings among the topical groupings of evaluations differed little from that for all findings over time (Figure 5.5).

Accountability findings accounted for 52 percent to 63 percent across all topical groupings, with an average share of 57 percent. The

**Figure 5.5. Average Share of IEO Findings, 2002–15, by Topical Grouping (In percent)**



Note: Crisis-related=Capital Account Crises; Argentina; Run-Up to the Crisis; Crisis Response. Policy Advice/Surveillance=Fiscal Adjustment; Capital Account Liberalization; Multilateral Surveillance; Exchange Rate Policy; International Trade Policy; Research; Reserves; Forecasts; Statistics. Operational Policy/Practice=Prolonged Use; PRSPs/PRGF; Jordan; Technical Assistance; FSAP; Aid to Sub-Saharan Africa; Structural Conditionality; Self-Evaluation. Governance/Fund Mandate=Governance; Interactions; Trusted Advisor; Recurring Issues.

largest incidence of accountability findings was in reports on governance/Fund mandate and the smallest was in reports on operational policy and practice.

Learning/accountability findings accounted for 23 percent to 30 percent across all topical groupings. The largest incidence of learning/accountability findings was in crisis-related evaluations and the smallest was in policy advice/surveillance evaluations.

Mutually exclusive learning findings accounted for the largest variation by topical grouping, ranging from 9 percent to 22 percent. Policy advice/surveillance evaluations and operational policy/practice evaluations were on the higher end of the range, while governance/Fund-mandate evaluations and crisis-related evaluations were on the lower end.

### Key Messages from These Data

The similarity of results across all evaluations, time, and type of evaluation topic is striking. Over more than a decade of IEO evaluations across a wide variety of topics, accountability has featured prominently in nearly all evaluation reports and has been a dominant theme for the IEO. IEO evaluation reports have documented and explained the extent to which the IMF has or has not carried out its mandate and related activities as per established policies and procedures. The IEO's



emphasis on accountability has thus represented a valuable and important contribution to the transparency and credibility of the Fund.

At the same time, however, learning has also played a key role in IEO evaluation reports. While the nature and share of learning-related findings in IEO evaluation reports has shifted over time, beginning in 2011, the focus of IEO evaluations expanded from holding the IMF accountable towards explicating the connections between performance and lessons about how to improve. In other words, the IEO has been able to synthesize its accountability and learning missions rather than treating these elements distinctly. Conceptualizing evaluation findings as not only simply accountability or learning findings but rather as a combination of the two might just turn out to be an appropriate way for an evaluation office to simultaneously fulfill these dual purposes. Hence, the IEO experience demonstrates that the binary “either-or” consideration discussed in [Chapter 4](#) need no longer be the only choice. As we have shown, it can also be “both-and.” This synthesis approach can serve as a model for other institutions as they move forward in their efforts to promote accountability and also instill a learning culture.

## **Can Learning and Accountability Complement Each Other?**

Increasingly, IEO has tried to exploit the complementarity of accountability and learning as goals of evaluation, hence the sizable number of reports with a substantial share of combined learning/accountability findings in the same report. Particularly in response to the first external evaluation of the IEO, when evaluation reports have pointed to instances in which the IMF has fallen short in its performance (accountability element), the exercise has turned into a quest to identify the reasons why, so as to offer conclusions and recommendations that can contribute to an enhanced and hopefully a better-performing organization (learning element). Thus, IEO’s methodology and reporting provide a framework both for the membership and Executive Board to hold management and staff accountable and for the Fund to learn from experience. In addition, by making its evaluations public, the IEO assists civil society organizations in member countries in their efforts to understand, hold accountable, and reform the IMF.

While IEO reports have both elements of learning and accountability, the manner in which these reports have been received, discussed, and subsequently acted upon seems to suggest that there appears to be little room for learning in the Fund. Why? Because, as we have argued

above, the IEO has been perceived more as an accountability mechanism than one that emphasizes learning.

As discussed in the previous chapter, there is indeed some tension between the evaluation goals of learning and accountability. It has been suggested that the most appropriate balance between these two goals depends on the situation at hand (Gray, 2014). For example, organizations without strong internal governance and without strong external scrutiny may be less prepared to use evaluations that are geared towards accountability. In such circumstances, it may make sense to allocate evaluation resources toward learning, with the expectation that the organization is more motivated toward performance. The IMF has strong internal governance and is also subject to strong external scrutiny. Does this not then imply that for IEO evaluations to be most effective, the balance within the IEO needs to be tilted still more towards accountability as opposed to learning?

Few organizations have managements that appreciate critical or fault-finding recommendations, even if these recommendations make sense from a technical or practical perspective. Those organizations that are more resistant to criticism will have a harder time learning from truthful and candid independent evaluation. Further, data on performance suggest that organizations are most likely to learn from their (and others') successes than from failures (Nielsen, Turksema, and van der Knaap, 2015). Understanding the organizational environment and its values, the governance situation, the role of other actors, and the culture of the institution and its tolerance for open debate can help evaluators determine which way to lean to increase the opportunities for effectiveness and impact.

Promoting accountability requires “speaking truth to power” even if the truth is not what the power structure wants to hear. But promoting learning may call for a more nuanced tone to ensure that management and staff remain open to the messages from the evaluation. What would the IEO have to do to encourage more learning from its work? Does it need to move away from a strong accountability focus in order to promote learning from independent evaluation?

As mentioned in [Chapter 1](#), in reaching an agreement on the mandate of the IEO, IMF Executive Directors made references to the role of independent evaluation in contributing to a learning culture, but accountability and transparency were the driving factors. In this sense, IEO has remained true to the initial intentions of the Board. Therefore, it is understandable that staff or management may view this role as merely about finding fault; but in fulfilling its accountability mandate, the IEO strives to acknowledge the constraints or bottlenecks the Fund

faces in doing a difficult job. Further, in incorporating its learning mandate in its work, IEO seeks to create a more conducive environment for the receptivity of its evaluation messages. The more staff and management can appreciate that IEO is also focused on the learning objective and, essentially, that accountability and learning are two sides of the same coin, the more the Fund can benefit from independent evaluation. Knowledge gained from experience can induce improvement and, indeed, propel change, but only when the right institutional setting is in place and when there is a corporate culture that embraces change.

## Can Learning and Accountability Result from Self-Evaluation?

The IMF and other IFIs conduct self-evaluation as another means of enhancing accountability and learning. Essentially, the IMF conducts self-evaluation “to learn from experience and improve the quality and effectiveness of its work” (IEO, 2015: v). Distinct from independent evaluation, this internal mechanism is conducted by the same management structure that carries out the institution’s work and thus is more easily integrated with daily operations. The question, of course, is whether self-evaluation effectively serves as an accountability and a learning device.

In August 2015, the IEO conducted the first assessment of self-evaluation within the IMF. As stated in the Executive Summary:

It found that considerable self-evaluation takes place at the IMF; that many IMF self-evaluation activities and reports were of high technical quality; and that self-evaluation informs reforms in policies and operations. Yet, there are gaps in coverage, weaknesses in quality, and shortcomings in the dissemination of lessons, in part because of the absence of an explicit, conscious, institution-wide approach to this work. Further, decisions taken in April 2015 as part of a cost-cutting exercise risk further weakening self-evaluation. The IMF does not have an institution-wide framework or overall policy to establish what needs to be evaluated and how, who is responsible, and how to follow up. This may explain how recent decisions to reduce self-evaluation activities were taken without serious consideration of their impact on learning and accountability. . . .<sup>5</sup>

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<sup>5</sup> As part of the follow-up on Board-approved recommendations for the IEO’s self-assessment evaluation, in June 2016, the Fund released a statement on the principles and best practices for self-evaluation at the IMF. This document explicates the goals, scope, and intended utilization/dissemination of self-evaluation across the IMF’s work (surveillance, lending and capacity

Self-evaluation activities [during the evaluation period] were weak in distilling lessons on staff practices and more generally in disseminating lessons in a way that promotes learning. To address these concerns, management should develop products and activities aimed at distilling and disseminating evaluation findings and lessons in ways that highlight their relevance for staff work and that facilitate learning (IEO, 2015: 1).

Even if the Fund were to establish all the necessary requirements for a thorough and meticulous self-evaluation framework, the staff is not independent from management, hence, staff's own analyses of past experiences are less inclined to be candid in identifying errors and the need for change. Without such an independent and candid assessment, self-evaluation seems to offer less potential as a learning instrument. On the other hand, since self-evaluation is self-generated, its findings are more likely to be owned and implemented by decision makers than are those produced by independent evaluation. Hence, self-evaluation, when properly implemented, has the potential to facilitate learning.

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development). It also lays out the objectives and timetable for conducting institutional-level policy and thematic reviews (see "Implementation Plan in Response to the Board-Endorsed Recommendations for the IEO Evaluation Report on Self-Evaluation at the IMF" [Annex III](#), available at [www.imo-imf.org/ieo/pages/Multiheader.aspx](http://www.imo-imf.org/ieo/pages/Multiheader.aspx)).