

Conclusions and Recommendations

65. This chapter discusses the report's key conclusions and recommendations to enhance the contribution of self-evaluation to IMF effectiveness by strengthening learning, transparency, and accountability. The key recommendations for Board consideration are then presented in [Table 3](#).³⁸

66. This evaluation found that considerable self-evaluation takes place at the IMF, covering a large part of the institution's work. During the last decade, many IMF self-evaluation activities and reports were of high technical quality and informed policy development and operations. Still, there are gaps in coverage, weaknesses in quality, and shortcomings in the dissemination of lessons, in part because of the absence of an explicit, institution-wide approach to this work. Further, decisions taken in April 2015 as part of a cost-cutting exercise will weaken the self-evaluation function.

The Overall Institutional Approach

67. Overall, the IMF takes an ad hoc approach to self-evaluation, requiring self-assessments and setting guidelines only in limited instances, and conducting self-evaluation of policy and institution-wide issues as input or as background for policy or other thematic reviews. For the most part, this approach has served the IMF relatively well: self-evaluation was integrated with the institution's broader policy work, its lessons fed into the design of operations, and self-evaluation outputs and practices evolved as the IMF's work and priorities changed.

68. However, this approach has important weaknesses and risks. The IMF does not have an overall policy to determine what needs to be evaluated and

how, who is responsible for these evaluations, and how they should be followed up. Self-evaluation practices do not reflect a strategic assessment of learning and accountability priorities. This leads to significant gaps in the coverage of self-evaluation and evaluation work not being utilized as learning tools.

69. Moreover, this evaluation comes at a time when self-evaluation mechanisms at the IMF may be weakening. In particular, the IMF has recently decided to abolish the requirement for ex post assessment of LTPE programs, to consolidate some policy reviews, and to undertake other reviews only on an as-needed basis. These changes, which were agreed in the context of a broader cost savings exercise, weaken self-evaluation and its contributions to learning, accountability, and transparency. The absence of a self-evaluation policy or overall guidelines meant that these changes could be decided without a thorough analysis of their impact on the self-evaluation function.

70. Therefore, as is the case in other IFIs, to ensure the appropriate self-evaluation coverage and to bring coherence and transparency to self-evaluation activities, the IMF should adopt a broad *self-evaluation policy* or general principles to establish an explicit, institution-wide framework for self-evaluation (including its goals, scope, outputs, and utilization). Such a policy should be general and principles-based to allow self-evaluation products and practices to evolve with the policy and operational environment. In addition, Management should conduct a *periodic strategic review* of the self-evaluation function (perhaps every five years), as the basis for adapting the policy and resulting framework to changing circumstances. Management should also consider appointing a *self-evaluation expert* to serve as a champion for the function, to provide quality assurance, and to coordinate capacity building and knowledge sharing on evaluation methods.

71. The following recommendations would strengthen the coverage, quality, and impact of self-evaluation at the IMF. They could be adopted at this time, and eventually incorporated into the proposed overall policy or statement of principles.

³⁸The IEO recognizes that its recommendations have resource implications, but it estimates that these costs would be relatively small. Moreover, these costs would need to be weighed against the value of an explicit and more transparent framework that establishes a clear role for self-evaluation in the IMF.

Table 3. Key Recommendations for Board Consideration

Key Area	Recommendation
Institutional framework	The IMF should adopt a broad policy or general principles to establish an explicit, institution-wide framework for self-evaluation in the IMF (including its goals, scope, outputs, utilization, and follow up). It should then conduct a periodic review of this function as a basis to adapt the policy to changing circumstances.
Self-assessment of programs	The IMF should conduct self-assessments for every IMF-supported program. The scope and format of these assessments could vary across programs, but it is critical that country authorities be given the opportunity to express their views on the design and results of each program as well as on IMF performance.
Self-assessment of policies and other institution-wide themes	Each policy and thematic review should explicitly set out a plan for how the policies and operations it covers will be self-evaluated going forward.
Distilling and disseminating self-evaluation lessons	IMF Management should develop products and activities aimed at distilling and disseminating evaluative findings and lessons in ways that highlight their relevance for Staff work and that facilitate learning.

Evaluation of IMF-Supported Programs

72. During the evaluation period, assessments of programs for countries with LTPE (EPAs) and with exceptional access to IMF resources (EPEs) mostly fulfilled their roles of taking stock of IMF-supported programs. They also drew lessons that were often incorporated when subsequent programs were undertaken.

73. This evaluation nonetheless identified certain gaps and weaknesses in the coverage and quality of self-evaluation of programs. In particular, IMF-supported programs with normal funding levels in support of countries that were not engaged with the IMF on a long-term basis were never evaluated. Moreover, following the planned elimination of EPAs, there is a risk that assessments of LTPE programs and lessons will be subsumed in forward-looking analysis, thereby undermining the potential for learning as well as accountability and transparency.

74. The IEO recommends that the IMF conduct self-assessments for every IMF-supported program. The scope and format of these assessments could vary across programs, but it is critical that country authorities be given the opportunity to express their views on the design and results of each program as well as on IMF performance. Best practice would suggest that each program should undergo self-evaluation by arm’s-length Staff teams from outside the area department in charge of the program, as was the case with EPAs and remains the practice for EPEs. However, in light of resource constraints, the IMF could consider a more streamlined approach:

- Assessment of all completed programs by country teams should become a routine and standard practice. This could take the form of a succinct, peer-reviewed assessment of whether the ultimate

objectives of the program were achieved and drawing lessons for future engagement. As agreed for the process that will replace EPAs (IMF, 2015), these assessments could be submitted for Board consideration in the context of a new program request or an Article IV consultation.

- Arm’s-length, inter-departmental teams should conduct self-evaluations for a sample of normal access programs, including but not limited to those with LTPE. This would be in addition to continuing with the preparation of ex post evaluations for exceptional access programs.³⁹
- To further strengthen candor, the Board may wish to consider having independent validation of program assessments and/or independent assessments of a sample of individual programs, as is the case in other IFIs.

75. A more regular practice of assessing groups of programs, as in the 2009 “Review of Recent Crisis Programs” (IMF, 2009c), could help in drawing lessons for IMF policy and approaches in particular circumstances. But such reviews could not replace the assessment of individual programs that provide a better opportunity for bottom-up learning and enhancing transparency.

76. Policy and other thematic reviews related to lending—particularly of conditionality, program design, program clusters, facilities, and other modalities of lending—are also important vehicles for learning from experience across programs. As has been largely the case

³⁹Given that thirty-four normal access programs expired between 2012 and 2014, a sample of 10–20 percent would imply that one or two such evaluations would need to be conducted per year.

so far, these reviews should incorporate self-evaluation and draw on assessments of individual programs.

Evaluation of Bilateral Surveillance Activities

77. Self-evaluation of bilateral surveillance takes place within periodic surveillance reviews (i.e., the TSR, now the Comprehensive Surveillance Review). These reviews do not provide an opportunity for Staff to reflect on the substance of advice or their practices in individual surveillance activities. Looking forward, reflection on the conduct of Article IV consultations and the quality of advice by mission teams should become standard practice. The IMF should consider designing a streamlined process to assess the quality and traction of individual Article IV consultations shortly after they are completed. This could build on the current requirement to report on the implementation of recommendations from prior consultations. The findings and resulting lessons of this process would serve as inputs for subsequent surveillance reviews.

Evaluation of Policy and Institution-Wide Issues

78. Evaluative analysis and lessons about IMF effectiveness were well integrated in IMF policy reviews, and to some extent in other thematic reviews of policies and institution-wide issues. However, without a systematic approach, self-evaluation often focused only on those issues most relevant to proposed reforms. Additionally, findings on how Staff teams were executing the institution's work were overshadowed by policy development considerations. Going forward, the IMF needs to pay more systematic attention in its policy and thematic reviews to self-evaluative work that examines institutional and Staff practices. A key step will be to establish criteria for assessing whether policies and operations are serving their intended purposes and how Staff and the institution as a whole are performing.

79. The IEO recommends that each policy and thematic review explicitly set out a plan for how the policies and operations it covers will be self-evaluated going forward. In light of recent changes to the periodicity of some reviews, Management should ensure that self-evaluation of policies and other institution-wide issues continue on a regular basis, including to help signal when policy reviews may be needed.

Self-Evaluation of Capacity Development

80. Self-evaluation of capacity development is well established in the IMF. Most capacity development activities over the evaluation period were subject to some form of self-evaluation, although coverage and quality varied widely. IMF staff appeared to be benefiting from self-evaluation of capacity building: the survey for this evaluation found that a large majority of Staff who had participated in capacity development activities found self-evaluation useful. While a variety of mechanisms were used to assess the relevance and quality of inputs and outputs, assessing the absorption and implementation of new knowledge remains the most difficult and least well covered aspect of the results chain.

81. The IMF's new statement on "IMF Policies and Practices on Capacity Development" (IMF, 2014c) lays the basis for a unified approach to evaluation, including a results-based management framework, a common evaluation standard to facilitate comparison across technical assistance and training activities, and a periodic IMF-wide review. As this effort proceeds, it will be important for systems to remain simple and user-friendly, while also flexible enough to accommodate different types of TA projects, as well as the differences between TA and training. Thematic evaluations should focus more on the implementation of IMF advice and the resulting outcomes of TA. Periodic reviews of IMF-wide capacity building, to which Management committed in the context of the 2013 review (IMF, 2013), will be opportunities to collect lessons from experience with TA and training activities, and for the Board to provide oversight and guidance.

Dissemination

82. Overall during the evaluation period, communication of self-evaluation lessons in a way that promoted learning and improvement by Staff was weak. Beyond its contributions to informing the policy agenda, self-evaluation should also provide Staff with learning opportunities so that they can improve their work and enhance IMF effectiveness.

83. The IEO recommends that Management increase efforts to disseminate evaluative findings and lessons in ways that highlight their relevance for Staff work and facilitate learning, including by distilling cross-thematic and cross-country lessons. Modalities might include, for

example, internal blogs by department directors, intranet notes on lessons and practices, or a “one-stop” internal website for Staff devoted to lessons from experience. Lessons from evaluations could also be used in TA and training activities and could be incorporated into background material for induction seminars for Board members.

Instilling a Culture of Self-Assessment and Learning

84. Reflection on its own work is important for enhancing the Board’s effectiveness in carrying out its governance role. Although steps have been taken to

monitor and assess changes in Board work practices, the Board currently engages in relatively little examination of its own performance. While there are differences in the mandates of the IFIs and the roles of their respective Boards, self-evaluation practices at some of these organizations can provide helpful examples of self-evaluation arrangements.

85. To enable self-evaluation to make a more meaningful contribution and to strengthen the IMF’s learning culture, the Board and Management should routinely convey to Staff the importance of self-evaluation activities and products as tools for improving policies and practices. They could also consider setting an example by sharing with Staff what they learn from their own self-evaluation activities.