Executive Directors welcomed the third external evaluation of the Independent Evaluation Office (IEO). They thanked the Panel for its candid, high-quality assessment, and invaluable contribution. Directors welcomed many of the Panel’s recommendations to further improve the IEO’s relevance and effectiveness. They shared the Panel’s view that the IEO has played a critical role in promoting the Fund’s accountability, external credibility, and, to a certain extent, learning culture. In that light, they agreed that the Board and management should send a strong signal across the institution reaffirming the importance they attach to the IEO’s work.

Directors stressed that improving traction is a shared responsibility among all concerned parties. The IEO’s increased interaction with management and staff would raise awareness of its work, enable it to sharpen its analysis and recommendations, and enhance ownership by management and staff to implement necessary actions. While noting that staff’s familiarity with the IEO’s work has recently increased and interaction strengthened, Directors agreed that there remains scope for the IEO to focus more on fostering the learning culture within the Fund. Engagement through IEO-staff seminars and IEO in-reach at all stages of an evaluation could be helpful in that regard. A few Directors, however, cautioned against institutionalizing engagement and consultation with management and staff.

Directors welcomed the assessment that the IEO’s independence is firmly established, and that the IEO enjoys a high degree of freedom in evaluating issues relevant to the Fund. A number of Directors considered that the Terms of Reference (TOR) remain appropriate, consistent with the IEO’s mandate and role as an independent evaluator. A few other Directors saw merit in the Panel’s suggestion to better define the scope of “operational activities, including current programs” in the TOR, which in their view may constrain the choice of topics for IEO evaluations.

Directors underscored the importance of strong ownership and active engagement by the Board, especially through its Evaluation Committee (EVC). In particular, most Directors supported the recommendation that the IEO, in consultation with the EVC, should formalize transparent criteria for the selection of evaluation topics and clearly explain to the Board the reasons for the selection. A few other Directors noted that the current process has worked well, striking the right balance between transparency and independence.
With respect to the design of IEO reports and recommendations, most Directors agreed that shorter reports written in plain English could be more impactful, with a number of them stressing the importance of preserving in-depth analysis underpinning the evaluation. In this regard, most Directors saw merit in applying the SMART (Specific, Measurable, Attainable, Relevant, Timely) criteria to IEO recommendations, while recognizing the need to allow sufficient room for management to develop appropriate implementation plans. A number of Directors also felt that short reports prepared quickly by the IEO could provide useful inputs into current topics under Board discussion, although a few others pointed to their limited value added and potential interference with current operations.

Directors concurred with the need to continue improving the follow-up process to Board-endorsed IEO recommendations, and welcomed the recommendation to reinforce the accountability of management and staff. They appreciated the ongoing efforts to ensure that Management Implementation Plans are SMART, and to address the backlog of open management actions, particularly the work done by the Office of Internal Audit. Directors broadly supported discussing the Periodic Monitoring Report in a formal Board meeting, and discontinuing the Implementation Status Report. A number of Directors suggested incorporating the implementation of Board-endorsed IEO recommendations into departments’ accountability frameworks.

Directors considered the recommendations to improve the summing up process and IEO engagement with the IMFC. Most Directors concurred that the Secretary’s Department should be tasked with preparing draft summings up for Board meetings on IEO reports, with inputs from the IEO as an authoring department prior to Board discussions, and following the standard summing up process. On the Panel’s recommendation for the IEO Director to meet regularly with the IMFC Chair and brief IMFC Deputies, Directors recognized that it is at the discretion of the IMFC Chair or his Deputy, in consultation with the IMFC membership. A number of Directors saw the benefits of such approaches in raising the visibility and awareness of the IEO’s work among the IMFC membership, while a few doubted their usefulness. Directors stressed that outreach to the broader membership remains essential to promote IEO work.

Directors considered the recommendations on the IEO’s staffing and budget. Many Directors supported, or were open to considering, a review of human resources (HR) practices that may disincentivize staff from working at the IEO. Directors noted that this issue could be assessed in the broader context of the ongoing comprehensive HR strategy work. A number of Directors indicated their willingness to consider a modest increase in the budget, if needed, for the IEO to take on additional work, while a few saw scope to improve cost efficiency.

The recommendations of the Panel that have received broad support and outstanding issues that warrant further consideration will be followed up by the appropriate parties—the EVC, the IEO, staff, and management. Directors will have further opportunities to discuss concrete proposals in the coming months.