

# IEO—The First 10 Years

On December 6, 2011, the IEO celebrated its 10th anniversary with a conference that brought together Executive Board members, IMF Management, senior staff, and external stakeholders, as well as current and past IEO teams, to discuss what the IEO has achieved so far and how it can contribute further to the effectiveness of the IMF. In true evaluative form, this was an event of listening to feedback and learning for the IEO.

The conference highlighted the important role that the IEO plays within the IMF. Participants emphasized the IEO's independence and the quality of its evaluations as key strengths. They also pointed to areas for improvement, including the timeliness of evaluations, topic selection, dissemination, and follow-up on recommendations.

### Contributing to Oversight, Learning, and Transparency

In opening the conference, IEO Director Moises Schwartz reflected on the IEO's creation a decade ago to strengthen learning and accountability at the IMF, and to enhance understanding among external stakeholders of how the institution works. These tasks are even more important today, when the legitimacy of, and trust in, the IMF are critical to its central role in helping stabilize the world economy.

Mr. Schwartz reviewed several prominent themes that had recurred in a number of the 18 IEO evaluations produced in the last decade. Recurring messages have included:

- The need to strengthen IMF governance and clarify roles and responsibilities.
- The centrality of greater evenhandedness across the membership in the application of policies and framing of advice.
- The importance of alternative perspectives and support for staff in raising difficult issues with country authorities, even in the largest countries.
- The imperative of better integrating analytical and operational work across

departments—promoting cooperation and reducing turf battles and silo behavior.

In her remarks to the conference, Managing Director Christine Lagarde emphasized that the IMF relies on its own honesty and credibility and thus wants IEO to continue to produce honest, fair, and demanding analysis. She noted that some of the most knowledgeable commentators on the IMF, including in the press, academia, and NGOs, have pointed to IEO's work as proof that the IMF is learning from experience.

The Dean of the IMF Executive Board, Shakour Shaalan, along with the Chair of the Board Evaluation Committee, Moeketsi Majoro, underscored the “unwavering support” of the Executive Board and Committee for the IEO.

### Distilling Lessons

Three roundtable discussions followed the opening session. A panel of current and former Executive Directors focused on IEO's role in contributing to accountability and oversight at the IMF. A panel of former Management and staff members addressed IEO's involvement in distilling lessons from experience and fostering a learning culture in the Fund. And a panel of external stakeholders addressed IEO's effectiveness in enhancing transparency and in making lessons from IMF experience available to the membership and others.

Several Executive Directors emphasized that effective evaluation depends on engagement of all parties involved. They stated that the IEO's independence and internal access are crucial attributes that help IEO to promote learning and contribute to Board oversight of the IMF—and also enhance the Fund's

external credibility. External stakeholders characterized the IEO as a “window into the IMF,” underscored the importance of the IEO's function of facilitating IMF accountability, and supported further enhancements to facilitate this role. First Deputy Managing Director David Lipton recognized IEO contributions to the transparency and credibility of the IMF and stressed that IEO's evaluations have a long-lasting impact.

Over the course of the day, there was a strong sense that the IEO had demonstrated true independence and produced quality reports that have had an impact on the IMF. Several Executive Directors, some country authorities, and many external stakeholders consider that the IEO should evaluate activities and performance with less of a lag, while still making sure not to interfere with IMF operations. Many stakeholders pointed to a need for greater IEO efforts to disseminate its work both within and outside the IMF. Many also reiterated weaknesses in the framework for implementation and monitoring of follow-up on Board-endorsed recommendations.

The conference agenda, opening remarks by IEO Director Moises Schwartz, and videos of each session are available on the IEO website.



Dean of the Board Shakour Shaalan, IEO Director Moises Schwartz, Managing Director Christine Lagarde, and Board Evaluation Committee Chairman Moeketsi Majoro at the 10-Year Anniversary Conference.

## Three Evaluations Ongoing

As reported last fall, the IEO is currently working on three evaluations.

- “International Reserves: IMF Advice and Country Perspectives” will assess the nature and quality of IMF advice to member countries on international reserves against the background of its mandate, taking into account the perspectives of country authorities.

- “The Role of the IMF as Trusted Advisor” will examine authorities’ confidence in the quality and relevance of IMF advice and the depth of the ensuing dialogue from 2005 through the present, including in the aftermath of the global financial and economic crisis. The evaluation considers, in particular, whether the IMF’s role as a trusted advisor has changed relative to the past.

- “Learning from Experience at the IMF: An IEO Assessment of Self-Evaluation Systems” will study how the IMF learns from experience and what mechanisms are in place to effect institutional change.

Final issues papers for these three evaluations are available on the IEO website. The IEO expects to deliver these evaluations to the Executive Board over the course of this year.

## External Evaluation of IEO Launched

The Board Evaluation Committee has taken action to launch the second external evaluation of the IEO. The first external evaluation was concluded in 2006; at that time the Board considered it appropriate to conduct another such evaluation after five years.

## Follow-Up on Past Evaluations

The IEO evaluation of *IMF Performance in the Run-Up to the Financial and Economic Crisis: IMF Surveillance in 2004-07* (issued in December 2010) contributed to, and to some degree served as a departure point for, the Triennial Surveillance Review undertaken by the IMF during 2011. The Executive Board is expected to discuss a Management Implementation Plan for this evaluation after the 2012 Spring Meetings.

A Management Implementation Plan has not yet been proposed for Board-endorsed

recommendations for the IEO evaluation of *Research at the IMF: Relevance and Utilization*, which was issued in May 2011.

Executive Directors have called for improvements in the process for monitoring follow-up on IEO recommendations endorsed by the Board. IMF staff has agreed, as a first step, to include in future periodic monitoring reports a comprehensive analysis of the status of all Board-endorsed IEO recommendations.

## Periscope

2011

### October

The IEO presented the findings of the evaluation of *Research at the IMF—Relevance and Utilization* to the European Central Bank, the Bank for International Settlements, and the Center for Social and Economic Research in Poland.

### November

The IEO presented the *Research* evaluation to central bank and finance ministry officials in Norway and Finland.

The IEO discussed the results of the evaluation of *IMF Performance in the Run-Up to the Financial and Economic Crisis: IMF Surveillance in 2004-07* at the Bank of Israel and with finance ministry and central bank officials in Switzerland and Norway.

### December

The IEO hosted a conference at IMF headquarters on “Ten Years of Independent Evaluation at the IMF: What Does It Add Up To?”

2012

### January

The IEO discussed the *Crisis* and *Research* evaluations at the Central Bank of Chile and at the Argentine finance ministry. The IEO also presented the findings of the *Research* evaluation at a meeting of the Economic Commission for Latin America and the Caribbean.

The IEO presented an update on IMF governance reform at a High Level Seminar convened by Brookings, CIGI, and the Intergovernmental Group of Twenty Four in Washington, D.C.

### March

The IEO discussed the *Research*, *Crisis*, and *Governance* evaluations at a meeting of the Evaluation Cooperation Group and at the European Investment Bank, both in Luxembourg.

