



**RECURRING ISSUES FROM A DECADE OF EVALUATION: LESSONS  
FOR THE IMF**

**DRAFT ISSUES PAPER FOR AN EVALUATION BY  
THE INDEPENDENT EVALUATION OFFICE (IEO)**

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## I. INTRODUCTION

1. This note sets out to discuss the terms of reference for a stocktaking exercise by the Independent Evaluation Office (IEO). The proposal for such an exercise was made by a panel of external evaluators of the IEO, whose report was discussed at the Executive Board on March 21, 2013. Specifically, the external evaluation report recommended that the IEO should prepare for the Board a periodic review of “the more generic and substantive issues raised by IEO reports, which are often not encapsulated in specific recommendations.” The report further noted that this “review of outcomes should be selective, [...] rather than an exhaustive review of specific actions.”<sup>1</sup> The idea received broad support from the Executive Board, Management, and staff.

2. The panel of external evaluators raised the idea of “an issues-oriented review” in the context of strengthening the follow-up process for IEO recommendations. At present, the formal follow-up process includes (i) Management Implementation Plans (MIPs) for those IEO recommendations endorsed by the Board, and (ii) Periodic Monitoring Reports (PMRs) to track implementation of those recommendations. In the view of the external panel, however, the process has become a bureaucratic “box-ticking” exercise, in which the IEO’s recommendations are turned into “a series of specific actions” that tend to dilute their substance; there is no monitoring of broad policy conclusions and concerns raised in IEO reports unless they take the form of specific Board-endorsed recommendations.<sup>2</sup> As a result, “recommendations deemed by the Fund to have been met or on track for completion tend to be raised again in subsequent IEO reports.”<sup>3</sup>

3. To strengthen the follow-up process and thereby the learning culture of the IMF, there appears to be an occasional need to focus on “findings and lessons” from which the recommendations are typically drawn. In this context, the Managing Director, in her statement on the external evaluation report, highlighted the “need to refocus the follow-up process to Board-endorsed IEO recommendations on the broader policy objectives.”<sup>4</sup>

4. Keeping with these suggestions, the proposed IEO review will (i) identify groups of generic but substantive issues that have been recurring in IEO evaluations, (ii) determine

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<sup>1</sup> Ocampo, J.A., S. Pickford, and C. Rustomjee, 2013, “External Evaluation of the Independent Evaluation Office: Report of the Panel Convened by the IMF Executive Board,” January, pp. 26, 28.

<sup>2</sup> The implementation of an IEO recommendation is no longer tracked once IMF staff judges, and the Board concurs, that they have met the benchmarks, many of which consist of activities staff plans to undertake. The latest three (third through fifth) PMRs, from 2009 to 2012, all concluded that there were no outstanding performance benchmarks to be reviewed in the succeeding PMR.

<sup>3</sup> Ocampo, J.A., S. Pickford, and C. Rustomjee, 2013, “External Evaluation of the Independent Evaluation Office: Report of the Panel Convened by the IMF Executive Board,” January, pp. 23-24.

<sup>4</sup> Statement by the Managing Director on the External Evaluation of the Independent Evaluation Office, Executive Board Meeting, March 21, 2013.

what has been done by the IMF to address them, and (iii) ascertain if any of the issues remains unaddressed.

5. The rest of this note is organized as follows. Section II identifies four common themes in major findings from the IEO's 20 completed evaluations, under which major recurring issues could be grouped. Section III discusses the questions to explore in the evaluation and lists the sources the proposed review intends to use in gathering evidence.

## **II. IDENTIFYING FOUR BROAD THEMES IN IEO EVALUATIONS**

6. IEO recommendations are typically motivated by the lessons drawn from the findings of evaluations about the IMF's performance, practices, and policies. The issues the past evaluations have identified are often rooted in the intrinsic nature of the organization, which is also shaped by history and tradition. It thus comes as no surprise that many of the findings in the past evaluations involve recurring issues.

7. The IEO has determined that the overwhelming majority of the key findings from its past evaluations can be grouped into the following themes:

- Institutional and organizational
- Analytical
- Cognitive and cultural
- Evenhandedness

8. Except for the last one (evenhandedness), these themes are broad enough to encompass within a single heading a wide range of issues. This is not to suggest that there are not other equally valid ways of grouping these findings, but we believe that this is a useful framework from which to start.

### **Institutional and organizational**

9. The first set of findings relates to the way the IMF is set up or how it organizes its business. Issues that fall under this theme may include:

- Corporate governance
- Work of the Board
- Accountability and monitoring frameworks
- Silos

### **Analytical**

10. This theme relates to the content of what the IMF does, including in program design, surveillance, and technical assistance. Issues that fall under this theme may include:

- Risks and uncertainty
- Institutional and country context
- Integration

### **Cognitive and cultural**

11. The findings which we have collectively placed under “cognitive and cultural” all relate to the pattern of individual or organizational thought, attitude, and behavior that emanates from the IMF’s existing incentive and accountability frameworks. Issues that fall under this theme may include:

- Candor
- Staff mindset
- Work practices

### **Evenhandedness**

12. Unlike the previous three themes, this one may appear narrowly focused on a single aspect of what the IMF does, but in reality the issue of evenhandedness, real or perceived, cuts across different dimensions of the IMF’s work, calling for a category of its own.

## **III. EVALUATION QUESTIONS AND SOURCES OF EVIDENCE**

13. For the issues identified under the four themes, the evaluation will attempt to answer the following questions:

- In what manner and in what forms have the issues surfaced in the IMF’s work? What did the IEO recommend as a possible measure to address them and what were the broader views of the Board and Management?
- What has been done to address the issues? If an action has been taken, has it resolved them?
- What, if any, are the areas of the IMF’s work where the issues have not been fully addressed and likely remain relevant? To what extent are they so inherent to the nature of the IMF or what the IMF does that they will likely remain recurring and not fully solvable?

14. Evidence will be gathered from the following sources:

#### **IEO:**

- Evaluation reports, along with background papers and studies
- Annual Reports
- Mini-reviews

#### **IMF:**

- Annual Reports of the Executive Board
- Management Implementation Plans (MIPs)
- Periodic Monitoring Reports (PMRs)
- The Managing Director’s periodic work programs
- Recent Board decisions, including the 2012 Integrated Surveillance Decision

- Latest periodic staff reviews of surveillance, conditionality, and technical assistance (e.g., 2011 Triennial Surveillance Review); as well as other relevant staff policy papers submitted to the Executive Board; and Board summings-up
- Reports of Management or Board working groups (e.g., on HR initiatives)
- Staff guidance notes
- Latest and earlier staff surveys
- Other documents, as appropriate