

STATUS REPORT ON THE ACTIVITIES OF THE INDEPENDENT EVALUATION OFFICE (IEO)

September 21, 2003

1. The Independent Evaluation Office (IEO) has completed its work program for FY 2002. All three evaluation reports on (i) prolonged use of IMF resources (ii) the role of the IMF in three recent capital account crises (Indonesia, Korea and Brazil) and (iii) fiscal adjustment in IMF-supported programs have been discussed in the Executive Board. The Executive Board broadly endorsed the findings of all three reports and, with a few exceptions, supported the recommendations made for the future. Follow up action to be taken on several of the recommendations has been indicated and management has taken steps to address these issues, including through the use of task forces and regular policy reviews.

2. The reports have been made public, together with a summary of the Executive Board discussion. The IEO arranged outreach seminars to discuss the report on prolonged use in Japan (Chiba), the U.K. (London), Senegal (Dakar) and the Philippines (Manila). Similar seminars to discuss the second and third reports are planned for September 2003 in Japan (Tokyo) and Germany (Berlin), at which participants from other countries will be included. It is also proposed to arrange outreach seminars in Africa, Latin America, and Asia later in the year.

3. The IEO's work program for FY 2003-04 includes three projects: (i) the IMF's experience with Poverty Reduction Strategy Papers and the Poverty Reduction Growth Facility (PRSP/PRGF); (ii) the IMF's role in Argentina; and (iii) an evaluation of the IMF's technical assistance.

- The PRSP/PRGF project, which is being conducted in parallel with an evaluation of the World Bank's role by its Operations Evaluation Department, is at an advanced stage. It includes six country studies (Tanzania, Mozambique, Nicaragua, Tajikistan, Guinea, and Vietnam) and cross-country analysis of 23 countries. The field work for the country studies has been completed and country reports are being drafted. A seminar to discuss preliminary results is planned to be held in Addis Ababa towards the end of 2003. The final report is expected to be submitted to the Executive Board in March 2004.

- Work on the Argentina project is also fairly advanced. The final terms of reference for the project was posted in late July on the IEO website (www.imf.org/ieo), following the visit of an IEO team to Argentina in June 2003, to meet with former officials and other interested parties. The final report is expected to be completed sometime in April 2004.

- Work on the evaluation of the IMF's technical assistance commenced only recently. An issues paper is expected to be posted on the IEO website in October. The project will be completed towards the end of FY 2004.

4. The Annual Report of the IEO for FY 2002-03 will be published before the September 2003 meeting of the IMFC. The report provides an account of the background in which the office was created, the procedures evolved for its work, and a summary of the findings and recommendations of the first set of reports as well as the Executive Board discussion and follow up action.

5. The work program for FY 2004-05 is anticipated to include four evaluation projects. In accordance with IEO procedures a short list of possible evaluation projects will be prepared, based on preliminary discussions, and posted on the IEO website in November to elicit comments. The short list will also be discussed with Executive Directors, management/staff, and other interested stakeholders. Based on these discussions, the final work program will be determined by the Director by February 2004.