

STATUS REPORT FOR THE IMFC ON THE INDEPENDENT EVALUATION OFFICE (IEO)

September 23, 2002

1. The work program for FY 2002/2003 was finalized by the Director, IEO following an extensive process of consultation with various stakeholders and was subsequently reviewed and welcomed by the Executive Board.
2. The three evaluation projects chosen for FY 2002/2003 were (i) the prolonged use of IMF financial resources and its implications; (ii) fiscal adjustment in IMF-supported programs in a group of low and middle-income countries; and (iii) the role of the IMF in three recent capital account crisis cases (Brazil, Indonesia and Korea). The first project, on prolonged use, has now been completed. It will be discussed by the Executive Board on September 20. Based on its analysis of the issues involved, the report offers 14 recommendations concerning the rationale for IMF-supported programs, program design and IMF governance, designed to minimize prolonged use and its adverse implications in future. The report includes detailed country case studies of three prolonged users (Pakistan, Philippines and Senegal) and two narrower desk reviews of two “graduator” from prolonged use (Jamaica and Morocco). The evaluation report of the three capital account crisis cases will be circulated to the Executive Board by end-March 2003 and the report on the fiscal adjustment evaluation by end-April 2003.
3. The IEO will shortly announce a proposed shortlist of six projects from which the work program for FY 2003/2004 will be chosen. Following a period of public consultation as well as discussion with the Executive Board, the Director of the IEO will determine the final work program, which is expected to be announced in October.