

## PROGRESS REPORT ON THE ACTIVITIES OF THE INDEPENDENT EVALUATION OFFICE (IEO)

October 1, 2010

1. Since its last report, the Independent Evaluation Office (IEO) has advanced work on the two current evaluations and selected topics for three new evaluations.
2. The evaluations of *Research at the IMF: Relevance and Utilization* and *IMF Performance in the Run-up to the Current Financial and Economic Crisis* are in the concluding stages. IEO expects to send these evaluations to the Executive Board before year-end.
3. Over the past few months, IEO consulted with country authorities, Executive Directors, management, staff, and outside stakeholders on possible topics for new evaluations and has now selected three topics for its next evaluations. Work on the first two topics will be initiated over the coming months, while the third new evaluation will begin in 2011.
  - Confidential advice and transparent surveillance—the IMF’s dual role: The evaluation will assess whether and in what circumstances country authorities seek confidential advice from the IMF. It will try to identify factors that may make authorities reluctant to do so. It will further examine the balance between the IMF’s surveillance obligations, which carry with them enhanced disclosure requirements, and the attractiveness of the Fund as a source of advice on sensitive issues, which depends on a high degree of confidentiality.
  - International reserves—IMF advice and country perspectives: This evaluation will examine IMF advice on countries’ reserve levels, both in Article IV and program contexts. It will review and compare the perspectives of authorities in member countries and IMF staff with respect to reserve holdings. The evaluation will examine whether the IMF advice reflected country conditions and was well-explained and backed by analysis. It will also consider if this advice was consistent across member countries.
  - Bilateral surveillance: The evaluation will assess the effectiveness of bilateral surveillance in influencing national policies and in informing the wider membership. It will consider the impact the 2007 Surveillance Decision has had to date, and examine, inter alia, whether the current design, focus, and implementation of bilateral surveillance remain appropriate.
4. In its last Progress Report, IEO noted the Evaluation Committee’s observations about weaknesses in the system for following up on IEO evaluations—both in monitoring the implementation of IEO recommendations endorsed by the Executive Board and in ensuring follow through on broader policy issues raised by IEO evaluations that are of concern to the Board but that go beyond those recommendations endorsed by the Board. In the recent discussion of possible new evaluation topics, Executive Directors again raised these concerns. Consideration was given to having the next external evaluation of the IEO take up this issue, or to look for alternatives for follow up on IEO evaluations.
5. Completed evaluations, issues papers for ongoing evaluations, IEO Annual Reports, and other documentation are available on the IEO website at [www.ieso-imf.org](http://www.ieso-imf.org).