

**PROGRESS REPORT TO THE
INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE
ON THE ACTIVITIES OF THE
INDEPENDENT EVALUATION OFFICE OF THE IMF**

April 4, 2016

1. This progress report presents the key conclusions and recommendations of the IEO evaluation of data and statistics at the IMF that was discussed by the Executive Board on March 17, 2016. It also summarizes the IMF's plan, approved by the Board in December 2015, for implementing the recommendations from the IEO evaluation of the *IMF Response to the Financial and Economic Crisis* and describes the IEO's ongoing work.
2. ***Behind the Scenes with Data at the IMF—An IEO Evaluation*** examined whether the IMF's policies and practices with respect to data and statistics are adequate for fulfilling the IMF's mandate in a rapidly evolving global economy. The evaluation found that data provision from member countries has improved markedly over time, allowing the institution, to a large extent, to keep abreast of the growing complexity and interconnectedness of the world economy. However, the evaluation concluded—as did other reports in the past—that data deficiencies still affect the Fund's strategic operations. In particular, problems with data and data practices have, at times, left the IMF less than fully equipped to play its critical role of helping to secure global macro-financial stability.
3. In the aftermath of crises, data have often been put at the forefront, prompting important changes in the Fund's approach to data. Yet, once these crises subside, data issues typically receive low priority, being viewed as mere support activities to the Fund's strategic operations. The cause of some data deficiencies lie outside the IMF itself. Nonetheless, internal institutional constraints, data management structures, incentive systems, and quality control mechanisms have hampered effective flows and utilization of data. Some steps are underway, including a new data management governance structure and initiatives to fill data gaps revealed by the global crisis, but these efforts fall short of a clear comprehensive strategy that recognizes data as an institutional strategic asset, not just as an input for other work.
4. The Executive Board welcomed the evaluation report in a meeting on March 17, 2016. Directors broadly supported the report's main findings and endorsed the recommendation that the IMF develop a long-term strategy for data and statistics that provides a common institutional objective and acknowledges data as a strategic asset. They also supported the IEO's call for the IMF to define and prioritize its data needs, clarify the role and mandate of the Statistics Department, re-examine incentives for staff with respect to data management,

and make clear the degree to which the institution takes responsibility for the quality of data it disseminates. The evaluation was published along with the Statement by the Managing Director and the Summing Up of the Board Discussion.

5. **Enhancing crisis prevention and response.** The IEO evaluation of the *IMF Response to the Financial and Economic Crisis* found that in the last few years, the IMF had enhanced its ability to anticipate and respond to crises. At the same time, it highlighted the need for more work to focus IMF surveillance on systemic risks, in particular in the financial sector, and to communicate about risks in a more selective and strategic way. It also emphasized the importance of implementing quota reform and clarifying how the IMF would engage with other organizations in crisis management. In December 2015, the Executive Board approved Management's plan to follow up on the evaluation by: ensuring that the IMF as a quota-based institution has sufficient resources to contribute to future crisis resolution; developing guidelines for structuring engagements with other organizations; and consolidating and simplifying the current framework to identify and assess risks and vulnerabilities.

6. **IEO work program.** The IEO continues work on the evaluation of the IMF and the euro area crisis—focusing on the IMF's role during the banking and sovereign debt crises of Greece, Ireland, and Portugal, as well as IMF surveillance and technical assistance in these and other euro area countries and institutions. The IEO plans to submit the report to the Executive Board before the Annual Meetings. In addition, on March 24, 2016, Directors discussed a draft issues paper for a new IEO evaluation of IMF work on social protection issues; this paper was also posted for public comment on the IEO website. Finally, the Board's Evaluation Committee was scheduled to meet just before the Spring Meetings to consider the proposed Management Implementation Plan for IEO's 2015 assessment of *Self-Evaluation at the IMF*. This evaluation recommended strengthening current mechanisms for self-evaluation, including through a clearly articulated approach to learning from experience, and enhanced dissemination of lessons.