

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

October 5, 2012

1. This report summarizes the activities of the Independent Evaluation Office (IEO) since the 2012 Spring Meetings. In this period, the IEO submitted to the Board the evaluation report on *International Reserves: IMF Concerns and Country Perspectives*. The IEO also completed work on its evaluation of “The Role of the IMF as Trusted Advisor;” this evaluation report will be submitted to the Board shortly after the Annual Meetings. The IEO continues work on “An IEO Assessment of IMF Self-Evaluation Systems” and expects to submit this evaluation report to the Executive Board in early 2013.
2. **International reserves evaluation.** The IEO evaluation report on *International Reserves: IMF Concerns and Country Perspectives* was circulated to the Board on August 15, 2012. The evaluation examines the IMF’s focus, beginning in 2009, on reserve accumulation as a risk for the international monetary system and as an alternative approach to addressing global imbalances. It explores the views of country officials about this focus on reserves and how it affected the IMF’s attention to other developments in the international monetary system. The evaluation also considers the new reserve adequacy metric produced by IMF staff and how it was viewed by country authorities. Finally, it reviews the IMF’s assessments and discussions of international reserves in bilateral surveillance, including whether country-specific circumstances were sufficiently incorporated. The evaluation is scheduled to be discussed by the Executive Board on December 7, 2012.
3. **Follow-up on IEO evaluations.** On May 25, 2012, the Executive Board discussed the Management Implementation Plan (MIP) for the IEO evaluation of *IMF Performance in the Run-Up to the Financial and Economic Crisis—IMF Surveillance in 2004–07*, together with a statement by the Managing Director. Directors emphasized that a comprehensive long-term approach is needed to tackle the shortcomings highlighted in the IEO report. They broadly supported the specific proposals in the implementation plan and welcomed the Managing Director’s agenda to break down silos and promote diverse views and candor. Directors encouraged Management and staff to continue to build on the steps laid out and, where appropriate, engage the Board in the process. The MIP and Public Information Notice summarizing the Board discussion were published on the IMF website on June 6, 2012.
4. On September 11, 2012, the Board’s Evaluation Committee discussed the MIP for the IEO evaluation of *Research at the IMF: Relevance and Utilization*, issued in May 2011. In its discussion of this evaluation in June 2011, the Board endorsed the IEO findings that there is room for improvement in the relevance and technical quality of IMF research, and that some IMF research is perceived to be message driven. The MIP provides for a strategic review of research. It also includes measures to step up consultation with authorities and to

share best practices for quality review across departments. The MIP relies on the recent statement of workplace values to help promote openness to alternative perspectives in research.

5. Follow-up on past IEO evaluations and monitoring thereof remains an issue of concern. It is important that the follow-up system provide accurate documentation of lessons learned and recommendations endorsed by the Board; clear articulation of implementation actions linked to the goals identified by the Board; and mechanisms for monitoring results and initiating corrective measures when there are shortfalls in implementation.
6. **Future work program.** After the Annual Meetings, Executive Directors will discuss a list of possible topics for evaluation over the medium term, which was prepared by the IEO Director following broad-based consultations. One or more new evaluations will be launched shortly thereafter.
7. **External evaluation.** A panel appointed by the Executive Board—José Antonio Ocampo (chair), Stephen Pickford, and Cyrus Rustomjee—is conducting the second external evaluation of the IEO.