

Behind the Scenes with Data at the IMF

The IEO has recently released a report on *Behind the Scenes with Data at the IMF: An IEO Evaluation*. This 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.

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.

In response to the evaluation, Management noted that it “highlights the importance of

data as a strategic asset of the Fund,” and that the “IEO report provides a welcome opportunity to accelerate and consolidate efforts in this important area.” 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.

IEO Evaluations, 2011-2016

	Date Completed
Behind the Scenes with Data at the IMF: An IEO Evaluation	Mar 2016
Self-Evaluation at the IMF: An IEO Assessment	Sept 2015
IMF Response to the Financial and Economic Crisis	Oct 2014
Recurring Issues from a Decade of Evaluation: Lessons for the IMF	Apr 2014
IMF Forecasts: Process, Quality, and Country Perspectives	Mar 2014
The Role of the IMF as Trusted Advisor	Feb 2013
International Reserves: IMF Concerns and Country Perspectives	Dec 2012
Research at the IMF: Relevance and Utilization	Jun 2011
IMF Performance in the Run-Up to the Financial and Economic Crisis: IMF Surveillance in 2004-07	Feb 2011

Updates of IEO Evaluations

	Date Completed
The IMF's Approach to Capital Account Liberalization: Revisiting the 2005 IEO Evaluation	Mar 2015
Revisiting the 2004 Evaluation of the IMF's Role in PRSPs and the PRGF and the 2007 Evaluation of the IMF and Aid to Sub-Saharan Africa	Jul 2014
Technical Assistance Provided by the Fund: Revisiting the 2005 IEO Evaluation	Apr 2014
Fiscal Adjustment in IMF-Supported Programs: Revisiting the 2003 IEO Evaluation	Jul 2013
Prolonged Use of IMF Resources: Revisiting the 2002 IEO Evaluation	Jul 2013



Moises Schwartz,
IEO Director

About the IEO

The Independent Evaluation Office (IEO) was established in 2001 to conduct independent and objective evaluations of IMF policies and activities. Under its Terms of Reference, the IEO is fully independent from the Management of the IMF and operates at arm's length from the Board of Executive Directors. The IEO's mission is to enhance the learning culture within the Fund, strengthen the IMF's external credibility, and support institutional governance and oversight.

Enhancing the Crisis Prevention and Response: Follow-Up on IEO Evaluation

In December 2015, the Executive Board approved Management's plan to follow up on the IEO evaluation of the *IMF Response to the Financial and Economic Crisis* 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.

This evaluation found that the IMF in the last few years had enhanced its ability to anticipate and respond to crises. At the same time, the 2014 evaluation 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.

Self-Evaluation: A Vital Learning Tool

The IEO's assessment of *Self-Evaluation at the IMF* underscored the importance of learning from experience and having an explicit system and institutional culture that reinforce the learning process. The 2015 IEO evaluation found that the IMF conducts many self-evaluation activities, but that there are some important weaknesses. For instance, although country performance is reviewed as lending programs proceed, the IMF's performance in designing and executing individual programs is evaluated *ex post* only in cases when there is exceptional access to IMF resources. In discussing this evaluation, the Executive Board agreed that the IMF needs a clearly articulated approach to learning from experience and should enhance the dissemination of lessons from self-evaluation. An Evaluation Committee discussion of the proposed Management Implementation Plan for this evaluation was scheduled for just ahead of the Spring Meetings.

On the Horizon: IEO's 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 intends to issue the report before the Annual Meetings. In addition, a draft issues paper for an evaluation of IMF work on social protection issues was discussed by Directors in an informal seminar in March; this paper was also posted for public comment on the IEO website.

Periscope

January 2016

The IEO Director participated in the meeting of the Evaluation Cooperation Group held in Washington, DC.

March-April 2016

IEO gave presentations on "Crisis Prevention and Management: Lessons from the IMF Experience with the Great Recession" at the Banque de France, the OECD, and the United Nations Economic Commission for Latin America and the Caribbean in Santiago, Chile.

April 2016

Outreach activities on self and independent evaluation at the Bank of England and the Banque de France.



From left to right: Teresa Ter-Minassian, former Director of the Fiscal Affairs Department, Nancy Wagner, IEO Advisor, Jennie Litvack, former Lead Economist at the World Bank's Independent Evaluation Group, and Nancy Birdsall, President of the Center for Global Development, participate in an IEO workshop for the newly-launched evaluation of "The IMF and Social Protection" in February 2016.