

Potential Candidate Topics for Future IEO Work Programs

The IEO is in the process of identifying a menu of potential topics to guide its work programs over the coming years. A preliminary list of such topics is provided in this note to serve as a basis for discussion. It has been derived drawing upon initial suggestions from external observers, members of the IMF Executive Board, and IMF staff. It also includes several items from the initial short list of 15 possible evaluation topics identified in 2001 that have not yet been taken up. Following normal IEO practice, feedback on this list is being invited from a wide range of stakeholders within and outside the IMF before the final work program for each year is decided. Comments are requested by February 15 and may be submitted to ieo@imf.org.

The size of the annual work program is decided as part of the regular discussions with the Executive Board on the IEO budget, but we have assumed for purposes of this note that the total work load will remain unchanged at its current level (that is, four evaluation projects a year, of which one will be somewhat smaller in size). We expect that the specific work program would be announced for only one year ahead (beginning with FY2006). This would allow for adjustments in priorities should circumstances change.

The choice of topics will be guided by a number of criteria, including: (i) substantial learning potential exists, especially on issues where the IMF is in the process of considering its longer-term strategies; (ii) the topic is of interest to a wide range of the IMF membership; (iii) the issue has been the subject of controversy and criticism; and (iv) the IEO has a comparative advantage in undertaking the evaluation. Selection of topics must also bear in mind the requirement, set out in the IEO's terms of reference, that it "should avoid interfering with operational activities, including programs, or attempting to micro-manage the institution."

Possible topics have been grouped by four categories, namely, the IMF's main types of activities and IMF organization. However, some evaluations would cut across several categories. Several of the suggested topics cover overlapping ground and, therefore, could be viewed as alternatives. This list does not attempt to make any judgment on the most suitable timing of possible projects. Some topics may be strong candidates for eventual evaluation but would be best taken up in several years time after further experience has been gained with ongoing internal initiatives or when relevant country experience would be available for evaluation.

Surveillance

- Modalities and effectiveness of bilateral surveillance in large industrial countries.
- The IMF's advice on exchange rate policy.
- Approaches to crisis prevention (or a project that focuses on assessing IMF approaches to debt sustainability).

- The IMF's role in the dissemination and assessment of various standards and codes. (The Fund's role concerning standards and codes in the financial sector is already being addressed in the ongoing FSAP evaluation. A subsequent evaluation could cover all other Reports on Standards and Codes (ROSCs) in the Fund's areas of primary responsibility or could focus on specific areas such as the effectiveness of the Fund's role in promoting enhanced Data Dissemination Standards, fiscal transparency etc.).
- The Fund's approach to governance issues.

IMF financing instruments and program activities

- The IMF's role in countries emerging from conflict.
- The IMF's role in African countries, based on a small number of case studies. (This evaluation could either review all aspects of the Fund's role in selected African countries or could focus on more specific issues, such as post-HIPC completion cases or aspects of program design).
- The role of the IMF in debt restructuring.
- Single country cases with important learning potential, including:
 - Turkey.
 - A low-income transition economy.

Capacity development

- IMF External training activities.

IMF organization

- World Bank-IMF collaboration. (Various approaches to such an evaluation are possible. For example, it may be useful to focus on assessing the modalities and effectiveness of collaboration in specific areas.)

- Effectiveness of internal assessment and self-evaluation processes (or a broader review of IMF approaches to "knowledge management," including in addition how well the IMF provides relevant cross-country experience to its members).

- A number of commentators have suggested that the IEO might also address various internal organizational issues, with more or less direct bearing on the Fund's governance. Topics suggested include the issue of the diversity of the Fund staff, the role of resident representatives, or the effectiveness of integration between various Fund departments. However, some of these topics might take the IEO into areas that risk interfering in the management of the institution, which is against the IEO terms of reference, or are beyond the IEO's comparative advantage.¹ Some of these issues, including various aspects of the Fund's decision-making processes and governance, are likely to emerge in the context of other evaluations. In any event, issues involving the range of potential topics for evaluation could be revisited at the time the IEO itself is evaluated, which is expected to be toward the end of 2005.

The final list of topics will be determined on the basis of consultations with various stakeholders and taking account of the IEO's assessment of the potential benefits of each project for the institution, in light of the criteria indicated earlier. It is expected that the final list will be posted on the website in the first half of 2005.

¹For an interesting earlier discussion on the possible division of labor between an independent evaluation office and internal assessment units such as the Office of Inspection and Audit (OIA), which conducts a variety of managerial reviews, see *Making the IMF's Independent Evaluation Office Operational*, prepared by the Evaluation Group of Executive Directors, August 7, 2000 (www.imf.org/external/np/eval/evo/2000/Eng/evo.htm).