



Independent Evaluation Office  
of the International Monetary Fund



## PROGRESS REPORT TO THE IMFC ON THE ACTIVITIES OF THE INDEPENDENT EVALUATION OFFICE OF THE IMF

April 12, 2024

**Overview.** Since the 2023 Annual Meetings, the IEO has continued making progress on the two ongoing evaluations and will launch a new evaluation—on *IMF Advice on Fiscal Policy*—targeted for completion in the second half of 2025. The IEO has collaborated with staff on the 13<sup>th</sup> Periodic Monitoring Report (PMR) and the management implementation plans (MIPs) that follow up on the Board-endorsed recommendations of the completed evaluations of *The IMF and Capacity Development* and *The IMF's Emergency Response to the COVID-19 Pandemic*. The external evaluation of the IEO is expected to be completed by mid-2024.

### IEO Work Program

- **IMF Advice on Fiscal Policy.** This evaluation will assess the IMF's advice on fiscal policies mainly focusing on surveillance cases, while selected lending program cases may be considered to evaluate the consistency of messages and the fiscal advice for countries that had frequent program arrangements with the Fund. Areas of inquiry will include fiscal advice to advanced economies, emerging market and middle-income economies, and low-income countries; the consistency between corporate and multilateral surveillance messaging versus country-level recommendations; and whether the Fund's advice on structural fiscal issues (e.g., fiscal institutions and rules), was effectively integrated into its overall fiscal policy recommendations. The evaluation will cover the decade and a half following the onset of the Global Financial Crisis in 2008 and is expected to be completed in the second half of 2025. The issues paper is scheduled for discussion in an informal seminar with Executive Board members in May 2024.
- **The Evolving Application of the IMF's Mandate.** This evaluation is nearing completion and is expected to be discussed by the Executive Board in June 2024. The evaluation assesses the decision-making processes and operationalization of the IMF's broadened surveillance scope into newer policy areas such as climate, digital money, gender, governance and corruption, and social spending.
- **The IMF's Exceptional Access Policy.** Following the discussion of the issues paper with Executive Board members in July 2023, the evaluation has continued making progress. It is expected to be completed in the fourth quarter of 2024. The evaluation reviews the rationale and evolution of the policy since 2002, the application of the exceptional access criteria, the differences in program design and implementation, and its application in selected country cases.

## Management Implementation Plans

- **MIP on the IMF and Capacity Development recommendations.** The evaluation was timed to feed into the Fund's 2023 Capacity Development Strategy Review (CDSR) and the MIP, approved in May 2023, was centered around it. The mid-point note for the CDSR was discussed on December 5, 2023, and covered the main elements of the IEO recommendations. The CDSR is expected to be finalized in the course of 2024.
- **MIP on The IMF's Emergency Response to the COVID-19 Pandemic recommendations.** In October 2023, the Executive Board considered the MIP, with defined actions scheduled for completion by April 2025. These include developing a crisis playbook that would further codify Management's commitment to an early participatory consultation with the Board in the event of a global crisis but without prescribing automatic responses, enhancing the process for hiring and staff reallocation during a crisis, strengthening the capacity of the Crisis Management Team, and exploring ways to further strengthen the coordination with partners, especially the World Bank.

## Periodic Monitoring Report

- **13<sup>th</sup> PMR.** The report was discussed by the Executive Board in November 2023, which welcomed the further progress made in the implementation of management actions since the last PMR. Starting with the forthcoming 14<sup>th</sup> PMR, the definition of overdue actions will be modified to include all actions that are not completed by the originally agreed-upon implementation due date (currently, actions are only considered overdue when more than one year past their target implementation dates). Executive Directors also welcomed the progress made in developing a slippages framework and took note of the use of the MIP on *The IMF's Emergency Response to the COVID-19 Pandemic* as a pilot, with staff providing an assessment of the implications from potential slippages in implementing the IEO's high-level recommendations. The goal is to establish a permanent slippages framework whereby future PMRs will assess the impact of these implementation delays.

## Other Issues

- **External evaluation of the IEO.** The IEO has met on several occasions with the high-level panel undertaking the fourth external evaluation of the IEO. It is expected to be concluded by mid-2024.
- **Seminars.** The IEO held an event on March 7, 2024, on how the IMF is approaching geoeconomic fragmentation in surveillance, including the role of new industrial policies for de-risking; and on April 5, 2024, on the impact of exponential technologies on the global economy.