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IMPLEMENTATION PLAN IN RESPONSE TO THE BOARD-ENDORSED RECOMMENDATIONS FOR THE IEO EVALUATION OF RECURRING ISSUES FROM A DECADE OF EVALUATION—LESSONS FOR THE IMF

EXECUTIVE SUMMARY

This paper sets out Management's response to the Independent Evaluation Office's (IEO) evaluation of *Recurring Issues from a Decade of Evaluation: Lessons for the IMF*. The implementation plan proposes specific actions to address the recommendation supported by the Executive Board, namely preparing a high-level status report to monitor the progress the IMF has made in addressing recurring issues within two years, possibly followed by similar reports every five years thereafter.

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INTRODUCTION

1. This paper presents a forward-looking management implementation plan (MIP) for the IEO evaluation “Recurring Issues from a Decade of Evaluation: Lessons for the IMF”. The recurring issues identified in the report included Executive Board guidance and oversight; organizational silos; attention to risks and uncertainty; country and institutional context such as political economy issues of ownership and implementation capacity under IMF programs; and evenhandedness. During the Board discussion of the report, Executive Directors were encouraged by the broadly positive findings that actions have been taken to address major recurring issues from past IEO evaluations. They agreed that the issues identified in the report are likely to pose ongoing challenges as they are to varying degrees intrinsic to the culture, policies, and governance arrangements of the IMF. At the same time, Directors emphasized that efforts to address these issues should continue in order to enhance the Fund’s effectiveness and credibility. Most Directors supported the recommendation that the IEO conduct similar evaluations every five years and that staff prepare a separate high-level report on the status of initiatives addressing the recurring issues identified by the IEO. This implementation plan proposes actions to address this recommendation.

IEO RECOMMENDATIONS AND BOARD REACTIONS

2. The IEO evaluation recommends the preparation of high-level staff reports on the status of initiatives that address the recurring issues identified by the IEO. The IEO believes that a framework of reviewing and monitoring recurring issues would be useful going forward. Such a framework would establish incentives for progress, strengthen the Board’s oversight, and provide learning opportunities for the Fund. In light of this, the IEO recommends preparation of separate high-level status reports by staff, in between the regular evaluations on recurrent issues prepared by the IEO every five years. The first status report by staff is expected to be prepared within two years (by July 2016), followed by similar reports every five years thereafter.

3. During the Board discussion, Executive Directors broadly endorsed the recommendation. Most Directors supported the recommendation of preparing an additional high-level status report by staff. A number of Directors saw limited merit in this proposal in light of existing resource constraints and mechanisms already in place to keep the Board informed. The Managing Director did not support the recommendation on the preparation of a separate status report by the staff, noting that the report—prepared only two years after the IEO evaluation—would yield few new insights and would not justify the associated resource cost, particularly in the tight current budget environment.

IMPLEMENTATION PLAN

4. This MIP proposes specific actions to address the IEO's recommendation and sets out how they will be monitored. Staff would complete the proposed high-level report by Summer 2016. At that time, Management will consult with the members of the Evaluation Committee on the merits of continuing the preparation of such reports, taking into account associated costs and the mechanisms already in place to keep the Board informed on developments in recurrent issues.

Recommendation: Prepare a high-level status report to monitor progress of initiatives addressing recurring issues.

- Staff will prepare a separate report providing a big-picture, high-level view of ongoing and planned efforts to address the recurring issues identified by the IEO and their impacts. The report will gather evidence on the current status of the identified issues mainly from existing sources, including recent IEO evaluations, MIPs and PMRs; the latest available staff reviews of surveillance, conditionality, and technical assistance; other relevant staff policy papers submitted to the Executive Board; summing up of Executive Board meeting; recent statements by International Monetary and Financial Committee (IMFC) members; and HR briefings. To obtain additional perspectives, a limited number of interviews could be conducted with the Board and senior staff.

5. Progress in implementing the proposed status reports will be evaluated in future PMRs. The high-level status report(s) will be submitted to the Evaluation Committee. The report will be prepared by the Strategy, Policy, and Review Department (SPR), in consultation with other departments.

RESOURCE IMPLICATIONS

6. The initiative outlined above will have resource implications. The total resource cost of the proposed actions is estimated at 0.2 FTE in staff time, considering both the elaboration of the high-level status report as well as interdepartmental review. The required resources would need to be allocated in the FY2017 budget.

Annex I. IEO Evaluation of IMF Recurring Issues: Recommendations, Board Response, and Proposed Follow-Up

IEO Recommendation	Executive Directors' Responses	Follow-Up Plan and Timeline	Accountability
<p><i>Prepare a high-level report to monitor the progress of identified recurring issues.</i></p>	<p>Most Directors supported the recommendation of preparing an additional high-level status report by staff. A number of Directors saw limited merit in this proposal in light of existing resource constraints and mechanisms already in place to keep the Board informed.</p>	<p>The high-level report will gather evidence to analyze the current status of the identified issues from various sources such as staff review of surveillance, conditionality, technical assistance, HR briefings, as well as documents from the Executive Directors.</p> <p>The report is expected to be available by July 2016.</p>	<p>The report will be prepared by the Strategy, Policy, and Review Department (SPR), in consultation with other departments.</p>