

Report of the External Evaluation of the Independent Evaluation Office – March 29, 2006

Statement by the Managing Director on the External Evaluation of the Independent Evaluation Office, Executive Board Meeting – April 26, 2006

Staff Response to the External Evaluation of the Independent Evaluation Office, Executive Board Meeting – April 26, 2006

Statement by the Independent Evaluation Office External Evaluation of the Independent Evaluation Office, Executive Board Meeting – April 26, 2006

Supplement to Statement by the Independent Evaluation Office External Evaluation of the Independent Evaluation Office, Executive Board Meeting – April 26, 2006

Comments of Mr. Montek Singh Ahluwalia on the Report of the External Evaluation of the Independent Evaluation Office

Public Information Notice: IMF Executive Board Discusses External Evaluation of the Independent Evaluation Office – June 15, 2006

**REPORT OF THE EXTERNAL EVALUATION  
OF THE INDEPENDENT EVALUATION OFFICE**

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## **Executive Summary**

The Independent Evaluation Office (IEO) has served the IMF well, but the panel has identified certain weaknesses and sees trends that are cause for concern about its future. The biggest challenge facing the IEO is to avert the tendencies, pressures and practices that may push it in the direction of becoming bureaucratized, routinized and marginalized.

The IEO of the IMF was created in 2000 to enhance the learning culture of the IMF, to build the IMF's external credibility by undertaking objective evaluations in a transparent manner, to provide independent feedback to the Executive Board in its governance and oversight responsibilities, and to promote greater understanding of the work of the IMF among its members and the broader public.

In the period October 2005-February 2006, the Evaluation Panel assessed how well the IEO meets these objectives, asking at the outset whether the IMF needs an IEO and whether the existing office is adequately independent. In the course of our evaluation we traveled to 10 countries, interviewed more than 170 people from Executive Director's offices, IMF staff and Management, local officials, and stakeholders, and conducted a survey of 760 IMF management and staff. Our conclusions are as follows.

The IEO enjoys strong support among member governments, Executive Directors, NGOs and many IMF staff. Support is weakest among IMF management and department heads. In the view of the panel, modern principles of good governance and accountability require an institution like the IMF to have an independent evaluation unit. The IEO is not expensive and the panel finds no evidence that it has impinged on management prerogatives or interfered with operations. Duplication with other review and evaluation work at the IMF can be minimized by management taking into consideration the IEO's work program when setting that of units such as PDR.

Independence is essential to the IEO's objectivity and credibility. Our evaluation points to three ways the capacity of the IEO to undertake independent evaluations needs bolstering. First, while the panel supports continuing to draw staff from inside and outside the IMF, rules concerning employment between the IEO and IMF need tightening to obviate any suggestion that IEO staff might be paving their way into a position in the IMF. Second, to ensure a fresh perspective, the IEO should make more use of prominent outsiders to lead evaluations and to frame and probe the strategic questions it will address. Evaluators should have diverse backgrounds, with more market practitioners and policy makers in the mix and fewer academic macro-economists who share the same training, skills, and professional experience as IMF staff. Third, the IEO must be assured full access to records and information within the IMF. Management has taken certain steps to limit access and the panel believes these constraints may impede the IEO's ability to do its work. The panel recommends that the Board reexamine managements' guidelines to determine if they are consistent with the IEO's mission.

The IEO is seen to have attracted high quality staff in its first years. However, the panel's staff survey exposes deep skepticism among IMF staff that a rotation in the IEO is career-enhancing. Management and the IEO need to consider how to ensure that the IEO can continue to attract top-caliber staff from inside the Fund.

Careful topic selection is vital, given the IEO's limited resources. There are strong pressures pushing the IEO in the direction of evaluating broad subjects and staying away from areas, especially individual country cases, deemed sensitive by IMF management or member governments. The IEO should resist these pressures. Country programs are where IMF policies hit the ground and are tested and where the stakes are highest. Heightened sensitivity reflects their importance. Close examination of country cases can shed light on broader systemic issues and the IEO should not shy away, even where programs are on-going. To be effective, a watchdog must have a bite.

IEO evaluations to date are generally considered of high quality, but several criticisms were repeatedly made to the panel: they do not isolate and analyze in depth the most important questions such as why the IMF misdiagnoses exchange rate trajectories and over-estimates growth, nor do they tackle strategic institutional questions such as the IMF's role in low income countries or why should the IMF (as opposed to other agencies) be engaged in technical assistance. The analyses instead focus heavily on IMF processes and procedures. The panel recommends a different mix of evaluators, greater use of peer review, and sharpening the IEO's Terms of Reference to make clear its systemic role.

The panel agrees with the many who complain that IEO reports are too long and are becoming indistinguishable from other IMF documents, using the same terminology and the same frame of reference. IEO recommendations suffer the same weakness. This is not just a matter of readability. Making reports shorter and punchier is a way of forcing evaluators to be selective rather than comprehensive, to focus on the most important issues and to offer an analysis that will provoke thought well beyond the IMF staff and management. More disciplined reports will lead to more pointed recommendations.

The IMF is considered impervious to change, but the IEO has had some impact. Staff attest that the IEO has created greater space for debate and criticism within the IMF and has generated a more serious attitude towards evaluation. Specific changes are attributed to the IEO, including better debt sustainability analysis, revamping of technical assistance, ex-post assessments of prolonged use cases, and creation of the Policy Support Instrument. That said, the panel found little evidence that findings and recommendations of specific IEO reports are being systematically taken up and followed up by senior management and the Board. This has happened in only a few cases, and with only sporadic involvement of the Board.

The IEO is supposed to help strengthen the Board in its governance and oversight of the institution. The panel finds that the Board is active with regard to topic selection but surprisingly passive thereafter, allowing management to determine the timing for

discussion and dissemination of IEO reports and leaving any follow-up largely to management. The Executive Board needs to take charge of the scheduling of Board discussions of the IEO's evaluations and engage more systematically on follow-up. The Board and its Evaluation Committee should play a more active role on both fronts. The Evaluation Committee should create a framework to engage staff and management to ensure consistent follow-up. The IEO itself can usefully offer periodic evaluations of what has happened to recommendations that appeared to elicit Board support. The IEO annual report is not an effective tool for engaging the Board in follow-up.

Enhancing broad public understanding of the IMF is a central IEO mission. The panel finds that the IEO's public outreach has been seriously deficient. Engagement with governments and stakeholders beyond the G7 has been almost entirely lacking, reports are not widely disseminated, and even the website is hard to find. Some of this can be blamed on lack of Board support and staff resistance, but the IEO itself has been uncommitted. Both the former and present Director recognize this weakness. The IMF as a whole needs to pull together. The IMF's External Relations Department, area departments and resident representatives could play a much bigger role. The Evaluation Committee of the Executive Board should monitor progress on this front.

In conclusion, the panel makes the following main recommendations:

First, the IEO should address issues fundamental to how effectively the IMF is fulfilling its mandate and its terms of reference should be changed to make this clear. (See Appendix I) The IEO should be assured full access to information.

Second, the IEO should diversify its staff and contractual mix and make greater use of people of eminence from outside the Fund to lead evaluation teams. Strong outside personalities with limited IMF exposure are likely to bring a fresh perspective and questioning attitude and ensure that the IEO adds value to the array of evaluations already being undertaken within the Fund.

Third, a more systematic approach is needed to follow up the recommendations of the IEO and monitor their implementation. The Board and the Evaluation Committee need to take responsibility and play a more active role in this regard.

Fourth, the IEO's dissemination and outreach activities need a complete overhaul, particularly to raise the IEO's profile in developing and emerging economies where the IMF's role is considered most contentious.

The IMF will reap the full benefits of a strong IEO if the Board plays an active role and senior management takes a constructive and open stance toward the evaluation office. The IEO in turn must be bold - about what it evaluates, how it evaluates, and who it hires to do the job.

## **1. DOES THE IMF NEED AN EVALUATION OFFICE?**

For more than fifty years the IMF had no independent evaluation office or watchdog. In 2000 that changed. The IMF Board created an Independent Evaluation Office (IEO) for four purposes. First, it was hoped that the new office would enhance the *learning* culture of the IMF, enabling it to better absorb lessons from past experience that improve its future work. Second, the IEO would be a *watchdog*, helping to build the IMF's external credibility by undertaking objective evaluations in a transparent manner. Third, the IEO would provide independent feedback to the Executive Board in its governance and *oversight* responsibilities over the IMF. Finally, the IEO would promote greater *understanding* of the work of the IMF among its members and the broader public.

Creating the IEO was a response to internal and external pressures. By 2000, the anti-globalization movement was in full cry and the Fund was a prime target. It was accused of having a "one size fits all" approach and demanding too much adjustment in poorer countries. While the IMF had become more open during the 1990s, it was still widely perceived as arrogant and resistant to change. The IMF-supported programs in Russia and its management of the severe currency crises in Latin America and Asia in the late 1990s were highly controversial. Public pressure was growing for a watchdog and more transparent and robust public accountability for the organization. A major public opinion survey commissioned by the Fund showed that the more people knew about the organization, the more sympathetic they were to the challenges it faced, so it was hoped that independent evaluations would inform the public and mute criticism. Finally, members of the Executive Board were anxious to improve the Board's oversight of the organization's work. The IMF's experience in the 1990s with evaluations, including the scathing internal Whittome report on the Mexican "tequila crisis" and external evaluations of Enhanced Structural Adjustment Facility, the Fund's concessional lending to low-income countries, of IMF surveillance and of the Research Department had convinced the Board that the institution had much to learn from independent evaluation.

In the 1990s, the Board experimented with ad hoc external panels of evaluation. One distinct advantage was that prominent experts were willing to take on the task, perhaps because the mandate came directly from the Executive Board. Having big names attached brought attention to the reports. One former Fund official commented that while he disagreed with most of the conclusions, he read the Crow report with great interest because it made him stop and think not least due to the iconoclasm of the main author. The external evaluation on the Enhanced Structural Adjustment Facility led to significant changes in the IMF's concessional lending program for its poorest members, renamed the Poverty Reduction and Growth Facility. However, the Board found the exercise expensive, the quality of the reports uneven and the conclusions not always useful or applicable to the Fund's operations. A 2000 Board review of ad hoc evaluations concluded that staff had little ownership of the results and that a mechanism for implementing the recommendations or follow up was missing. As discussed below, these problems have not disappeared with the creation of the IEO. We think that there are useful, positive lessons to be learned from the most successful ad hoc external evaluations.

While there may still be a role for ad hoc evaluations, **it is clear that the public and a cross-section of shareholders still hold the view that the IMF needs an independent watchdog or evaluation office.** In all consultations carried out by us in preparing this report, we found that member governments, Executive Directors and NGOs strongly endorse the continued existence of the IEO. National authorities stressed the useful role of the IEO has played in facilitating oversight and governance functions of the Board. Civil society representatives emphasized that the IEO signals that the IMF has finally decided to subject itself to the scrutiny by a group of people other than those who were engaged in the design and delivery of the programs. Staff variously spoke of the IEO as a necessary, revolutionary, and confidential channel to convey concerns and criticisms about the institution and its inner workings. That said, the IEO will only be fully successful if Management also is responsive to the IEO's findings.

### Concerns over Duplication and Cost

While the IEO enjoys wide-spread support, there are those, particularly among senior staff and members of the IMF Management team who question the value added by the IEO and suggest that it is duplicative, too costly, and impinges on Management. Some suggest that the Fund is devoting too many resources to evaluation and ex post reviews. We have examined each of these reservations and we do not concur with these criticisms.

**The IEO is not a costly operation.** It has 10 professional staff and 2 support staff headed by a Director. The annual budget has averaged about \$4 million or 0.5 percent of the overall administrative budget, which is lower than comparator organizations. The World Bank spends 1.5 percent of its budget on the Independent Evaluation Group, the Asian Development Bank allocates 3 percent to evaluation, the African Development Bank 1.6 percent, and European Bank for Reconstruction and Development 1.8 percent. Within the IMF itself, the Policy Development and Review Department (PDR) has 180 staff and a budget of \$35 million; the Office of Internal Audit & Inspection (OIA) has 18 staff and a budget of \$4.3 million and the Research Department 96 staff and an annual budget of \$20.5 million.

Is another evaluation unit in the IMF justified? Most senior Fund officials we interviewed said they thought there was too much evaluation in the IMF. The danger, as eloquently put to us by one official, is that evaluation becomes routinized and mechanistic, having little impact, but taking up precious time and resources. PDR continuously carries out policy reviews, strategic reviews and other assessments which are presented to Management and the Board, and much of the material is made public. In a reform adopted on the recommendation of the IEO, staff now produce Ex Post Assessments for each case of prolonged use of Fund resources. Management commissions ad hoc panels of outside experts from time to time to advise on critical issues. A recent example is the McDonough Report on the Fund's financial sector and capital markets work. Finally, the OIA has the responsibility to carry out financial audits,

operational audits and reviews of work procedures. We see important and distinctive roles for each of these units.

Overlap with OIA, does not seem to be an issue. The IEO and the OIA are both of the view that the division of labor between the two is clear. This opinion seems to be shared by the Board and Management. The OIA has narrowed its focus to administrative and operational issues since the IEO was created. The 2006 work plan for the OIA includes things like reviews of the IMF's information technology systems, efficiency of work procedures, departmental management and organization, and various financial audits. There appears to be no overlap with the IEO's proposed work program, and staff composition is distinct.

The relationship to PDR is more complicated. PDR has the institutional mandate for strategic planning, policy development and quality assurance including the consistent application of Fund policies, instruments and practices. Some of its strategic reviews will necessarily be backward as well as forward looking. In our survey 38 percent of all staff and 57 percent of all senior staff perceived "significant overlap" or "overlap" between the IEO and PDR. The panel believes that some overlap between the IEO and PDR is inevitable, but can and should be contained. The Board did not intend the IEO to displace the review function of PDR or of external ad hoc panels. Management needs the capacity to conduct reviews of issues it deems important to the institution.

The IEO, however, can do things that PDR cannot. The Board created the IEO to give itself and the public a second opinion from people who are not directly implicated in the policies, decisions and actions being evaluated. As one Board member put it, the IEO can "shed light on some entrenched sub-optimal practices". The IEO reports directly to the Board but works at arms length from it. As PDR reports to Management, it is not in a position to criticize, or even disclose, decisions made at the top. Nor could it comfortably criticize the Board and shareholders, as the IEO has done, however carefully. For example, the IEO and PDR both did an ex post evaluation of Argentina. The former is considerably harsher in tone and explicitly criticizes some actions by the Board and Management while the latter speaks only of actions by "the Fund." The former offers recommendations for strengthening governance of the institution while the latter avoids the subject.

The 2006 work programs show both the IEO and PDR examining similar issues. Executive Directors commented on what they saw as a deliberate strategy on the part of PDR to front-run the IEO. PDR justified this to the panel on the grounds that "If they [IEO] are taking on a subject it's helpful for us to take it on first – then we can correct things before we're told to, and we can have materials ready for the IEO." This strikes us as potentially duplicative and wasteful of resources. PDR's tactic of front-running the IEO seems designed to marginalize the impact of the IEO. Management should weigh carefully whether having PDR conduct a parallel evaluation of something the IEO has already put in its work program is an efficient use of limited staff and budget resources. **If the argument for having an IEO is accepted, then it is vital that it be left to do its job.** If management chooses to see the IEO as a useful instrument for the Fund as a

whole, rather than just a tool for the Board, the risk of duplication of functions will be minimized.

Finally, Ex-Post Assessments (EPAs) of prolonged use of IMF funds, which came about at the recommendation of the IEO, are carried out by staff in area and functional departments. EPAs will be evaluated by PDR this year, and the panel did not focus on this aspect of Fund evaluation activities. However, it has come to our attention that due to resource constraints, the EPAs are sometimes being done by staff who were directly involved in the mission rather than by someone from another team as intended. A number of Executive Directors and staff commented that EPAs are very time-consuming, had been of varying quality, and question their usefulness. EPAs are not a substitute for independent evaluations. Indeed, a case could be made for transferring the EPA budget and function to the IEO, taking the burden off area departments and ensuring that EPAs will be truly arms length.

With regard to apprehension about the possible micromanagement and IEO interference in the prerogatives of Fund Management, we did not find any evidence in support of this proposition nor did we hear any complaints to that effect from the Management itself, with one exception, the timing of release of evaluations of some country programs, discussed below.

We do not believe that the IMF has become overly self critical. **In the current environment of greater transparency, openness, disclosure and accountability the IMF Board's initiative in establishing an independent unit for evaluating the institution's work is fully in line with current international best practices of governance.** Now more than ever the IMF needs to be responsive to stakeholders and accountable to its shareholders- a core part of the rationale for creating the IEO.

## **2. IS THE IEO INDEPENDENT?**

In creating the IEO, the Board sought to make it independent enough that it would be objective in its work and credible to the outside world, but still an integral part of the IMF to ensure accountability and ownership. The Terms of Reference state that “IEO will be independent of Fund management and staff and will operate at arm's length from the Fund's Executive Board. Its structure and modalities of operation must protect its operational independence-both actual and perceived.” The panel believes that the model has worked well on the whole, but a serious effort is needed to mitigate the risk that the IEO will become too much a part of IMF bureaucracy.

The IMF Board set down five safeguards to protect the independence of the IEO. We see these as crucial to its independence. First, the Director is appointed to a six-year non-renewable term. The panel agrees that the one-term rule adopted by the Board in 2004 is an improvement on the original provision of a four-year term with the possibility of re-appointment for another three. The possibility of a second term posed the risk that the Director would hedge criticism of Board and Management to curry favor for reappointment. The Director is barred from subsequent employment with the IMF proper. Second, the Director chooses the staff of the IEO, more than half of whom have to be drawn from outside the IMF. Third, the Director prepares the budget outside the management-led Fund budget process, although the IEO budget is subject to approval by the Board. Fourth, the work program is determined by the Director in light of consultations within and outside of the IMF and is reviewed but cannot be vetoed by the Board. Finally, the IEO is given sole responsibility for drafting evaluation reports, annual reports, press releases and other public statements. Board, staff and Management may comment, but have no right to insist on changes.

Government officials, civil society, media, Executive Directors and IMF staff interviewed were overwhelmingly of the view that the IEO has acted independently. The choice of a well-known and highly respected economist from outside the Fund as the first Director was frequently mentioned as enhancing the IEO's credibility at the start. In our interviews across national capitals we found that even where there was little awareness of the IEO itself, there was an impression and an appreciation that the IMF was engaging in public, self-critical examination and this enhanced the credibility of the institution even among its critics. In our survey of Fund staff we found that 75 percent of staff claiming strong familiarity with the IEO's work consider it “very independent” or “independent.” That said, they saw the Executive Board as playing a very strong role in directing the work of the office, particularly the choice of topics for evaluation.

The Executive Board selects the Director and may dismiss the Director at will. As noted, it also approves the budget of the IEO. Some have suggested to us that this diminishes the IEO's independence and that the IEO should be under another authority such as the Board of Governors or the International Monetary and Financial Committee or a board of “wise persons”. This could have the benefit of causing the IEO to focus on larger institutional issues that would be of interest to ministers. It might also free the IEO to examine in depth the role and functioning of the Board, which a number of

interviewees said they would like to see it do. However, the panel is skeptical about the practicality of this suggestion. As currently constituted, the Board of Governors and the International Monetary and Financial Committee are too ungainly and meet too infrequently to oversee the IEO. Ministers would likely delegate the IEO duties to Executive Directors, so nothing would change except that the relationship of the IEO to the Board would be less transparent. An oversight board of “wise persons” could take charge of hiring and firing the director but this would not eliminate the need for the Executive Board to approve the budget for which it has fiduciary responsibility. Finally, entirely disconnecting the IEO from the Executive Board could have the undesirable effect of making the Board – and hence the IMF staff – less interested and engaged in the IEO’s findings, thus diminishing its contribution to Board oversight and institutional learning.

We see the most significant challenge to the IEO’s independence lying in the decision taken early on to balance outsiders with insiders on the IEO staff. The rationale is that while outsiders can bring independent judgement and fresh eyes to evaluation, insiders have important knowledge and experience with the inner workings of the IMF. This is a delicate balance. A number of national authorities expressed concern that drawing staff from the IMF risked importing too much of the “mindset” and “culture” of the IMF, rendering evaluators less able to ask questions “outside the box” and to use methods of investigation in which Fund macro-economists are typically not trained. In the words of a senior G7 official who previously worked in the IMF, “the IEO is essential for broadening the IMF staff’s views and opening the institution to the real world”. Or in the words of a senior African official, it must help “to break the isolation of the IMF.”

The panel believes that the principle of mixing staff with detailed knowledge of the institution with people drawn from outside remains valid. One of the criticisms of the ad hoc outside evaluations was that some panels had insufficient understanding of the IMF’s workings to make useful recommendations. However, from the position of Director on down the balance between insiders and outsiders needs to be examined. The risk is that the IEO will become too much of a shadow of the IMF itself. In addition to staff drawn from the IMF, the current Director has many years of IMF experience and the new Deputy director is a former long-time staff member. Of the remaining nine non-administrative staff, three are on secondment from the IMF, one had previously worked as a World Bank economist and one had worked in the IMF. In short, just four out of eleven professional staff within the IEO are real outsiders. While the IEO makes extensive use of outside consultants, full-time staff play a central role in framing evaluations and findings, as discussed below.

The risks of too many insiders are twofold. One relates to the perceived independence of the IEO, the other relates how the IEO does its work. Our investigation highlights that insiders are not unwilling to criticize the IMF. To the contrary, IMF-experienced staff have demonstrated that they are prepared to be critical. The more important risk, as expressed to us by officials in member countries, is that insiders share the same training, skills, and professional experience as IMF staff and that this focuses their (critical) inquiries on operational issues rather than on more strategic questions

about the IMF's policies and operations. The perception that the independence of the IEO may be compromised by the relationship of staff to the IMF also needs to be taken seriously.

Some have suggested employment at the IEO should be a one-way street, on the grounds that, as one observer put it, "no mid-career person planning to return to the Fund can be truly independent." The staff survey indicates that a major concern about secondment to the IEO is the risk of conflict with IMF colleagues. However, the panel believes the experience of the World Bank is instructive on this issue. The Bank evaluation office abandoned its one-way rule because it found the rule seriously impeded its ability to attract the best mid-career people. The panel believes that the value of having some Fund staff, even with secondment, outweighs the risks to the IEO's independence, provided that the staff drawn from outside the IMF ensure that IEO reports do not pull their punches. In that regard, the right of outside staff of the IEO to also take a subsequent job with the IMF is problematic. Two former IEO economists and three contractuales have gone on to IMF positions. Human nature being what it is, one cannot rule out that those looking to make the leap will be somewhat cautious in their criticisms. **The panel recommends that outside IEO hires have a cooling off period of at least one or two years before they can take a position with the Fund.** (Just as a cooling off period is required for Executive Directors wanting to move from the Board to the staff, to ensure that Directors charged with overseeing management do not trim their views to curry favour with management.)

The IEO has been able to attract strong, experienced individuals from inside and outside. The question of independence goes beyond a willingness to be critical, which the IEO has demonstrated, to the ability to step outside the IMF's frame of reference. To be effective the IEO must add value to what is produced within the IMF itself. This requires expertise, methods of evaluation and analysis which are not usually found within the IMF, as well as the recruitment of economists and analysts from outside who are prepared to critically rethink the assumptions and methods used within core Fund analysis. In this regard, we see as positive the recent efforts by the IEO to train staff in a broader set of evaluation techniques and develop written guidelines on how to conduct evaluations. The panel thinks this is an important recognition that evaluation is distinct from the research or program design background the staff possess. However, **a more diverse range of outsiders should be hired or used as consultants by the IEO.** More financial market practitioners, in particular, and more policy makers should be included in evaluation teams which have been heavily laden with academic economists with similar training as most Fund staff. It is vital that outsiders are sufficiently "outside" to bring a fresh perspective and different experience to bear in the IEO's evaluations.<sup>1</sup>

A further concern is the lack of diversity in the choice of team leaders who play a critical role in framing the issues and focus of an evaluation, in shaping the team, and in articulating its findings and recommendations. Team leaders have been drawn

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<sup>1</sup> Some observers questioned the independence of this evaluation panel, noting that the chair was a member of the IMF Board when the IEO was created. Another member was governor of the central bank when his country's IMF programs were examined by the IEO.

exclusively from the staff of the IEO. Team leaders say they consult widely outside the IEO in designing evaluations. Nevertheless, **we recommend that prominent outside experts be recruited to lead at least some of the evaluations.** This would combine the strength of external evaluations with the benefits of having a mixed staff. As experience with external evaluations has shown, having a well-known, outside expert guide an evaluation can ensure a fresh perspective, increase the likelihood that deeper questions will be asked, enhance the credibility of the reports and stimulate interest in its conclusions.

To date, staff drawn from inside the IMF have been very well-regarded. The IEO leadership say that they have had no difficulty recruiting strong candidates for the few positions available. However, it should be a matter of concern to the IMF that interviews and the staff survey reflect widespread doubts about whether a rotation in the IEO is career-enhancing. In a survey of IMF staff, only 11 percent of respondents believed that working with the IEO would enhance their careers. 60 percent of senior staff (ranking B1-B5) thought it would not. Loss of promotion opportunities and risk of conflict with colleagues were the two biggest concerns. Step promotions in the IEO do not automatically transfer to the IMF proper. In interviews, several department heads said they saw little value in IEO experience and added that the best and brightest in their department had shown no interest in serving in the IEO. It was evident in interviews that most department heads have no interest in encouraging their people to serve in the IEO.

**The Board, the IEO and IMF Management need to consider how to ensure that quality staff will continue to be attracted to the evaluation unit. A clear signal from Management to department heads and to the staff generally that IEO service is valued and should be considered in promotions would help, as would clear HR guidelines.** The IEO can also help. A number of interviewees said that the only thing that would draw them to the IEO would be the presence of a “star” they would find challenging and educational to work with. A number of people commented that the first IEO deputy director had that effect. Thus the IEO’s ability to recruit high-powered personnel from inside and outside the IMF will influence the over-all quality of its staff.

A final way in which the independence of the IEO needs to be safeguarded is ensuring that the IEO has full access to information. The IEO says that cooperation by Fund management and staff has been very good, overall. However, there had been instances where IMF staff had not provided relevant documents, and had on occasion even refused to grant interviews. Management notes that no complaint was ever lodged by the IEO and remedial measures would have been taken if it had. The Terms of Reference approved by the Board say that the Director of the IEO “shall have the right to obtain information”.<sup>2</sup> The constraints stipulated by the Board concern use, not access. The ToR state that the IEO may not disclose the source of information provided by staff or management in confidence and that disclosure of information originating from material provided in confidence to the Fund by a member country requires the country’s consent. However, a memorandum of April 16, 2002 from the Managing Director sets additional limits on IEO access. It carves out a zone of privacy for internal Managing

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<sup>2</sup> Other than material subject to lawyer-client privilege.

Director-Deputy Managing Director communications and for confidential communications between the Managing Director and senior government officials. The memorandum instructs staff that disclosure of such information to the IEO is not mandatory. The Evaluation Committee reviewed the 2002 memo and recommended that the Board “welcome” the new guidelines. The panel is concerned that these restriction can impede thorough evaluation. For example, the question of a “stop-loss” was hotly debated in relation to IMF lending to Argentina. Yet, according to IEO staff, the Argentina team learned only by chance of “a commitment from the authorities” to discuss “an alternative policy framework” if reserves fell below a certain level.<sup>3</sup> The evaluators referred to this important part of the story only obliquely because “we were not supposed to know about it.”<sup>4</sup> The IEO staff said they also did not want to highlight that Management may have violated Board procedures in not informing Directors about the understanding with Mr. Cavallo. **The panel recommends that the Board reconsider the restrictions management has imposed on IEO access to information and determine whether these restrictions are consistent with the mission and the Terms of Reference set by the Board for the IEO.**

The panel also has concerns about the feedback process on draft evaluation reports. A number of Executive Directors voiced a concern that Management exercises too much influence over the final product. Staff and management are given a chance to review -- “fact-check”-- drafts as well as issue a formal written response at the time of presentation to the Board. The panel compared the Argentina report in draft and final form and was troubled to find that significant substantive changes were made in the draft, toning down or deleting criticisms of management and staff. This is ironic in light of the report’s Recommendation 6 calling for the “provision of candid and full information to the Board”. The IEO draft summary of missteps leading up to Argentina’s currency collapse focuses on misjudgments by IMF staff and management; the final version of the paragraph focuses on misjudgments by the Argentine authorities. The first “major finding” of the evaluation of the Fund’s performance in Argentina is “the failure of Argentine policy makers to take necessary corrective measures”<sup>5</sup>. The panel believes that in this case, the IEO accommodated management and staff sensitivities to the detriment of the information value of its evaluation and its contribution to Board oversight.

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<sup>3</sup> Page 53 of the IEO report on Argentina. Management told the panel that there was no such understanding with Argentina, but management did not challenge this point when it was discussed in the Board.

<sup>4</sup> Paul Blustein in his 2005 *And the Money Kept Rolling In: Wall Street, the IMF, and the Bankrupting of Argentina* (Public Affairs, New York) refers to ‘a secret agreement between Cavallo and IMF management – so secret, in fact, that only a few Fund staffers knew of it’ (p.155).

<sup>5</sup> Page 64

### **3. HAS THE IEO ADDRESSED THE RIGHT ISSUES?**

To be effective, the IEO has to choose the right targets for evaluation. Being small by design, it can only undertake a few evaluations per year, and its choice of topics is crucial to its impact. External and internal interviewees generally give the IEO high marks for its choice of topics in the initial period and the panel shares this view. However, the panel believes that the definition of the IEO's mission in the Terms of Reference should be sharpened to reduce the risk that the IEO will become increasingly inwardly focused and undifferentiated from other IMF entities.

The first IEO report addressed the *Prolonged Use of Fund Resources*, which had been the subject of repeated but inconclusive Board debates around the time the IEO was established. *The IMF and Recent Capital Account Crises* in Latin America and Asia involved the largest financing packages in Fund history, yet failed to prevent severe economic contractions. *Fiscal Adjustment in IMF Supported Programs* had been the target of vociferous external criticism and member government complaints. *IMF Technical Assistance* addressed a program of vital importance to many members, but that, in the view of staff and governments, had been wasteful and misdirected. Non-governmental organizations were eager to have an *Evaluation of Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility*.

In our survey of IMF staff and Management, 62 percent of respondents found the choice of topics "excellent" (16 percent) or "very good" (48 percent). Government officials in all regions expressed satisfaction. Non-governmental organizations say they felt their concerns had been taken into consideration in the first round of evaluations, but complained that the IEO has seemed less interested in their input in the last year or so. They admitted that their interest in the IMF generally had also waned, so their community was paying less attention to the IEO.

The first IEO reports were not without controversy. Country studies present special challenges for the IEO. They put individual staff missions under the micro-scope in a way that cross-cutting thematic reports do not. If the IEO criticizes government actions as well as the Fund, it rouses member government sensitivities, and especially if those criticism are then politicized in the country.

The Terms of Reference stipulate that the IEO should "avoid interfering with operational activities, including programs." Since the most difficult cases, like Argentina and Indonesia, are likely to have continuing programs, producing a timely report without coinciding with an on-going program may be difficult. Some members of Management and senior staff complain that the Argentina report gave the government ammunition to attack the Fund and that its release delayed negotiations. Similar complaints are made about the capital account crises report as it applied to Indonesia. Indonesian officials told the panel that the timing of the IEO report and the background paper created a serious embarrassment for the government. The critics and the opposition argued that the Indonesian government should not continue the Fund program as the IEO report had

found that the IMF advice at the time of the crisis was flawed and they suggested the evaluation findings showed it had done more harm than good for the country.

The heat and light generated by early reports has led some senior IMF officials to argue that there should be a flat prohibition on IEO studies of ongoing program countries, and that only cases like Jordan, where the country is no longer borrowing from the Fund, should be examined. Alternatively, the IEO should stick to thematic and functional analyses and avoid country studies altogether. The panel strongly disagrees. It was vital for the IEO's credibility and for fulfilling its mission of strengthening the IMF ability to draw lessons from its experiences, that it tackle explosive cases like Argentina and Indonesia even if Fund-supported programs are ongoing and political sensitivities high. Furthermore, there is no compelling evidence that release of the reports did long-term damage to relations with the countries studied or changed the trajectory of program negotiations. A number of people interviewed, including former Argentine officials and staff who had served on the Argentine mission, said that the government in Buenos Aires was already hostile to the IMF and the IEO report did not make things worse. Several current and former Brazilian officials, including one who complained that the IEO capital account crisis study put too much blame on the Brazilian government, contrasted the calm reaction to the IEO report in Brazil with the negative response in Argentina. Both countries had a continuing program and a new government coming in when the report was released. These officials attributed the differences to the divergent evolution of Fund relations with the two countries and thought that in neither Brazil nor Argentina did release of a critical Fund evaluation impinge on program negotiations or hurt relations going forward.

Officials of G-7 governments, which the IEO report took to task for interfering in Fund negotiations with the crisis countries, hold out the Argentine report as one of the most important and useful IEO products. They did not see timing as a problem. Board discussion and publication of the Indonesia report was delayed at the request of the authorities. Management argues that release of the IEO report adversely affected the Fund's credibility in these countries **The panel believes that the IEO must remain open to evaluating the Fund's performance in individual countries, whether a program is ongoing or not, and even if criticism of Fund actions causes embarrassment.** Country programs are where policies hit the ground and are tested. Balance of payments financing to individual countries are among the Fund's most important and sensitive functions. The IEO's remit is a special one. It is the institution's most public evaluator and it is not to shy away from any topic category. Timing should be determined primarily by the demands of the IEO's mission and not be dictated by staff, Management or government sensitivities. An effective watchdog must have bite.

In making its choices, the IEO should weigh carefully not only suggestions by the Board, Management and outsiders but also make an independent judgment of its comparative advantage. Many people inside and outside the Fund said they want the IEO to evaluate the governance of the Fund, and most particularly the role of the Executive Board and its relationship with Management. This is a subject PDR cannot take on, for obvious reasons. The panel believes that the IEO is sufficiently at arms-length from the

Board to tackle such a subject, while staff seconded from the IMF staff can provide inside knowledge that might be an advantage in assessing internal IMF governance issues.

The IMF Board, Management and the International Monetary and Financial Committee have devoted a lot of time and effort to define mechanisms that might more systematically engage commercial creditors in IMF-led stabilization efforts. Most of these have come to naught. Some interviewees suggested that the IEO is better placed to evaluate these efforts and to look at the Fund's lending into arrears policy than PDR which was in charge of designing them.

Finally, there are some surprising omissions from the country program evaluations. It is striking that the IEO has not evaluated the Fund's central and controversial role in post-communist transition economies. The subject may seem dated, but economists note that many countries are today facing similar challenges in navigating a transition from dictatorship and central planning to market capitalism and global integration. Surely there are important lessons to be drawn from the Fund experience in Russia and the former Commonwealth of Independent States, that the IEO could usefully draw out. This might include some interesting comparisons with China's economic transition, without a Fund program, in the same period. The IEO could tackle this subject when PDR might find it politically awkward to do so.

Several developing country officials raised the IMF and privatization as an important topic for evaluation. Certainly there is a public perception that the IMF forces its borrowing members to privatize indiscriminately. The IEO is well placed to adjudicate this perception and to evaluate the IMF's policy and practice in this area.

**The panel recommends that every report should state clearly why the scarce resources of the IEO should be deployed in this case.** The earlier reports on Prolonged Use, on Argentina and on Capital Account Liberalization give clear, extensive rationales. Others such as the PRSP/PRGF report offer little or no explanation (even though there was a strong case to be made.) The weak rationale for the widely criticized Jordan evaluation – that it was in a region not evaluated before and could show how an ex post evaluation should be done (100 pages!) should have warned the IEO off. Several interviewees expressed puzzlement why the IEO should look at Fund conditionality when so many studies and Board reviews have already been done. If a compelling case for evaluation can not be made, then it should not be undertaken.

**The IEO should also think carefully about their target audience and ensure their evaluations serve not just the IMF, staff and Board, but speak to governments, civil society, and other stakeholders.**

**Finally, the panel believes that sharpening the terms of reference for the IEO will help sharpen the focus of the IEO. We suggest that the language be modified to state clearly that the purpose of the IEO is to evaluate the policies and operations of**

**the IMF in light of its strategic mission, to replace the vaguer “issues of relevance...to the mandate of the Fund”. (Proposed language in Appendix I.)<sup>6</sup>**

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<sup>6</sup> The panel would like to acknowledge the contribution by Alexander Mountford to this recommendation.

#### **4. ARE THE REPORTS OF HIGH QUALITY?**

Most officials interviewed felt that IEO reports have been balanced, professionally crafted and recount case histories without serious biases or distortions. In our survey, 54 percent of staff thought the overall quality of IEO reports excellent or very good. While some disagree with specific findings in individual reports, the most common observation was that the IEO “basically gets the story right” without major omissions or errors. However, the IEO’s mission goes beyond an accurate narrative. Its evaluations are meant to reveal deeper truths about the quality of the Fund’s performance. On that score, the IEO has come up short.

Our panel was struck by the IEO’s focus on process rather than on the substantive issues underlying the process. Effective evaluation needs to look beyond actions and processes, and assess the contribution made to broader strategic objectives. The IEO pays close attention to documenting “who” and “how”, but sometimes shies away from consideration of whether policies were right or wrong, whether the theoretical foundations of Fund advice are sound, whether the analytical framework used by staff stands up, even whether the Fund should be doing what it is doing at all. One critic notes the very thorough evaluation of technical assistance never asks the question, should the Fund be in the business of giving technical assistance. In a useful peer review that the IEO commissioned on three earlier reports, Peter Montiel<sup>7</sup> suggests that the most important question to try to answer about *Prolonged Use of IMF Resources*, was why the Fund’s policy advice had failed to restore the country’s external viability. This was only one of five issues examined in the evaluation, and none of the recommendations dealt squarely with this issue. The panel agrees with Montiel’s conclusion that some reports cover too much ground and fail to focus on core questions that were critical to outcomes. Consequently, the reports tend to be too long and important issues get lost in the pack.

Our deeper concern is that too often IEO reports fail to address the most fundamental question- whether or not the IMF activities have contributed to achieving the institution’s strategic objectives. Many outside stakeholders including government officials have found this frustrating. The *IMF and Recent Capital Account Crises* report notes in passing that the World Bank had a far more accurate estimate than the Fund of how much the Brazilian Real would depreciate if the currency were allowed to float. Since exchange rates are the IMF’s bread and butter and this question was central to the design of the Brazil stabilization package one would expect the IEO to explore why the World Bank got it right and the Fund missed the mark. It does not. As Peter Montiel points out, evaluation teams neither try to explain how the Fund went wrong on its exchange rate analysis nor analyze why the staff’s growth projections were “wildly off the mark.” Restoring the confidence of private investors was central to the IMF strategy in Argentina and the other crisis cases and several commentators noted that neither report thoroughly examines why markets reacted so negatively to the stabilization programs. The chronological narrative approach used for the country case studies does not lend itself to stepping back and honing in on one or two central questions.

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<sup>7</sup> “Comments on Three Reports by the IMF’s Independent Evaluation Unit,” Peter J. Montiel, Williams College October 10, 2003

It also seems to the panel that the IEO makes insufficient use of counterfactuals, which the January 2005 IEO Guidelines call “critical to any evaluation.” They are used somewhat in *The Evaluation of the Role of the IMF in Argentina*, but the capital account crises report does not tackle head-on the question of why Malaysia and Hong Kong fared much better than their neighbors which had Fund-supported programs, and the role unorthodox measures opposed by the Fund, such as capital controls and intervention in the stock market, played in the different outcomes. Nor does it look at their fiscal response as compared to the Fund supported countries. A close examination of these questions might have provided valuable new insights into the strengths and weaknesses of the Fund’s policy prescriptions.

The *Evaluation of Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility (PRSP/PRGF)* offers a subtle and rich analysis of the IMF’s engagement with the Poverty Reduction Strategy (PRS) approach and seeks out evidence as to where and how it seems to have succeeded – within its own terms. From this the evaluation builds a carefully constructed set of incremental proposals as to how the IMF might fine-tune its approach. The result is a report which goes beyond what the IMF’s internal evaluations had yielded but did not answer some fundamental questions of concern to shareholders and stakeholders.

National authorities said they wanted a clearer analysis of whether the IMF’s PRGF is enhancing the quality of growth in countries. The report instead (not unlike the PRSP/PRGF approach itself) focuses on process rather than substance. Civil society groups pointed out that the report recommends shifting incentives for the government toward improving underlying domestic policy making and institutions away from the production of documents. What they felt was missing was a thorough related discussion of the merits or otherwise of the policy advice given by the IMF which they believed unduly constrained public expenditures in poor African countries, (now the subject of a future evaluation.)

More broadly, what the report could do more effectively is to follow through the implications of some potentially explosive findings. The report suggests a contradiction within the PRSP/PRGF approach which seeks to enhance “country ownership” through a process which the IEO found - in many countries – is predominantly structured, organized, and monitored by the IMF and World Bank. Second, the IMF’s engagement in this process should avoid taking the organization outside its comparative advantage, delving into questions of policy and process which are far away from the macroeconomic framework around which the Fund’s research and advice is organized. The evaluation might have focused more on the strategic implications of these findings. Should the PRSP/PRGF approach be abandoned? Should the IMF retool and equip itself to engage more effectively in the process? Alternatively, should the IMF leave the process to others? Are any of these viable options? These questions were not tackled, nor was the closely related question of Bank-Fund collaboration which Fund staff mention most frequently as a topic they would like the IEO to address.

The main recommendation of the *Evaluation of the IMF's Approach to Capital Account Liberalization* is that the Executive Board should clarify the IMF's approach to capital account issues, even while the report highlights the lack of general consensus on this subject. The readers of the IEO study are left in dark about the rich debate in the economics profession on the pros and cons of capital account liberalization. The value added of such a study for the IMF staff, the country authorities and the Executive Board is limited.

In our interviews in Jakarta, we were asked if the initial diagnosis of the IMF at the time of crisis was wrong (as conceded by the IMF staff reviews later on; see Boorman et al 2000, Boughton 2001, Ghosh et al 2002, and the IEO background paper by Grenville 2003). If so, the policy prescriptions imposed at that time, such as tightening of fiscal and monetary policies and structural conditionalities, would have been inappropriate. The IEO Report on capital crises confined discussion of this mostly to the appendices. In the final report, there is no serious discussion about the consequences of the IMF mission's failure to see the severity of the capital account reversal that was under way and its implications for the mix between "adjustment" and "financing" in the program itself. The background paper prepared by Stephen Grenville for the IEO adequately addressed these issues but the analysis did not find its way into the final report on the capital crises.

One of the ways to overcome these problems is to subject each draft report prepared by the IEO to a process of rigorous peer review by knowledgeable experts from outside the institution, or more informally to questioning by outsiders during the course of the evaluation (some call this 'red teaming'). **Peer review has been used only occasionally by the IEO. Given that the IEO produces only two or three reports per year, the panel thinks that peer review should be standard practice.**

The recommendations made by the IEO suffer a similar problem to the reports taken as a whole. They tend to cover such a wide range of questions large and small that the most important findings get lost. IEO reports often have a confusing combination of many "conclusions," "findings" and "recommendations," making it hard for the reader to discern what is most vital. A single report may have conclusions and recommendations in individual chapters, in case studies and in a concluding chapter. At least one member of the panel thought the broad "findings" were often more useful and illuminating than detailed recommendations. IEO staff themselves say they have been grappling with the best approach. This is also reflected in the survey in which only 31 percent thought the IEO's recommendations feasible, only 28 percent found specific operational recommendations useful, and 40 percent found the policy recommendations useful. In some interviews staff said they wanted IEO recommendations to be more specific, fully costed, and feasible. The panel does not think costing recommendations is the IEO's job.

The panel thinks an important distinction should be made here between the role of Management and independent evaluators. **The role of evaluators is to feed lessons back to the institution as to how effectively it is achieving its goals so that the Management and Board of the IMF can take measures to strengthen the institution's effectiveness. Recommendations are certainly an important and useful**

**part of this. But the analysis and recommendations should be selective rather than comprehensive.** Above all, they should be thought-provoking.

## **5. HAS THE IEO HAD AN IMPACT ON THE LEARNING CULTURE OF THE IMF?**

One of the central purposes of the IEO is to enhance the learning culture of the IMF. Previous external and internal evaluations going back to the Whittome Report had highlighted the risks to the IMF of not actively promoting a culture in which ideas are challenged, core assumptions questioned, and staff encouraged to question their managers. The IEO faces considerable challenges. The results of our survey highlight the extent to which in 2006 the Fund is still perceived by its staff as hierarchical, conformist and technocratic. When asked whether the IEO had been altering this culture, only 16% of respondents thought that it had. However, in more specific ways, it strikes us that the IEO is having an impact on the learning culture of the IMF, albeit not always inducing specific changes in processes of decision-making as a direct result of its recommendations.

The IMF has improved and deepened evaluation in the organization since the IEO was created. Ex Post Assessments were initiated after the first IEO report (*Prolonged Use of IMF Resources*). In interviews, staff mentioned that PDR now seemed more interested in seeking outside views, in being more transparent, and in designing its own reviews in a more thorough and strategic way. To quote a senior PDR official, the work of the IEO “creates more space for us to be blunt.”

Many staff members said that the work of the IEO heightens their consciousness that their actions could later be scrutinized and made public. In interviews staff spoke of being more careful to record their own views, aware that these could come to light in subsequent evaluations. In our survey of the staff and management we found that of those respondents who claimed familiarity with the IEO’s work, over 45 percent “strongly agreed” or “agreed” with the statement that “the IEO’s findings have encouraged discussion of policy alternatives within the Fund”. Furthermore, 63 percent believed the work of the IEO had provided greater opportunity for reflection and stock taking by the IMF staff. On the other hand, only 16 percent agreed or strongly agreed with the claim that it had created room for dissent.

Our survey results show that 54 percent of all staff have used an IEO report in their work and that 49 percent of staff respondents rate the overall effect of the IEO on their work as positive or significantly positive. For senior staff the IEO provides an opportunity for stock taking and reflection. In our survey, senior staff rated this value highly (64 percent). The stock taking effect comes not just from reading finished reports but from involvement in their preparation. The survey indicates the most read reports were *Prolonged Use of IMF Resources* and *Role of the IMF in Argentina, 1991-2001*. Junior staff found the case studies in IEO reports most useful for their work (33 percent). When asked what they would most like IEO reports to provide, 66 percent of respondents said investigation of best practices. This is clearly an area where the IEO could do more.

The real test of whether the IEO is having an impact on the learning culture of the IMF is whether or not lessons learned are incorporated into IMF practices. Among senior staff there is a perception that IEO recommendations are taken “seriously” or “very

seriously” (65 percent of B1-B5 staff). There is some evidence of this. The IEO attempts to capture follow-up to its recommendations in its Annual Report. A more qualitative set of judgments arose in our interviews within the IMF. Repeatedly cited were the Ex Post Assessments conducted in the case of prolonged users of IMF resources, better debt sustainability analysis and the creation of a non-money Policy Support Instrument (PSI) instead of Fund lending to provide a policy benchmark for development assistance flows from other agencies. Significant changes in IMF technical assistance as a result of the IEO’s findings are expected. All of this is encouraging. On the other hand, several IEO reports stress the importance of greater candor by staff in alerting the Board to risks in Fund supported programs, even in high profile cases where major shareholder interest is high. To take one such example, the panel notes that the staff report for Iraq’s stand-by does not mention corruption as one of the risks, even though the government letter of intent says corruption is its greatest concern. Iraq will no doubt make an interesting case study for the IEO down the road.

While one can trace a number of positive changes to the work of the IEO, **as discussed below, there is a clear need for more systematic monitoring of follow-up to IEO reports, and the Board must take the lead.**

## 6. HAS THE IEO STRENGTHENED THE BOARD'S OVERSIGHT?

Executive Directors are among the IEO's most enthusiastic adherents. Officials in finance ministries and central banks interviewed in member capitals, and from whom Executive Directors take their guidance, also express strong support for the IEO. Directors say that a number of studies, including the *Evaluation of Prolonged Use of IMF Resources* and *IMF Technical Assistance*, have catalyzed a debate on issues that have been of concern for some time, opened their eyes to certain new issues, and have become a reference point for Board reviews of programs and policies. IEO reports can heighten Board awareness of divisions among staff, and make members more conscious of the fact that presentations to the Board have sometimes been less than candid about the risks in country programs. Other reports are deemed to be going over old ground, or wasting time on a subject not worthy of special evaluation.

It is difficult to assess the value of the IEO to the Board's executive and oversight functions. Many observers are of the view that the Board has not made full use of IEO reports to oversee staff and Management. The implementation of IEO recommendations appears to remain firmly under the control of Management. Unless Management initiates follow-up, nothing happens.

One reason may be that the Board has one shot at an IEO report, when it is presented for Board discussion. Scheduling and the heavy Board workload can work against thorough examination of the issues raised by the IEO. Management controls the Board schedule. The IEO was disappointed that the Jordan evaluation was bundled for discussion with staff's 2005 Article IV surveillance report on Jordan as well as their Ex Post Assessment and consequently got short shrift in the Board discussion. Management counters that it made sense to have the Board take up related matters all at once, to save time. IEO staff also complained about undue delays in getting management and staff comments on drafts, notably in the Argentina case. IEO staff felt the report could have been ready for circulation in May, but it did not go to the Evaluation Committee until early July. The Board discussion was variously scheduled for July, August, September, then, finally, July again. As noted, public dissemination of *The Role of the Fund in Recent Capital Account Crises* was held up due to Board sensitivities regarding Indonesia. Management delayed release of the summing up of the May Board discussion until September. IEO reports may not be disseminated until the Board summing up is available.<sup>8</sup>

The panel believes the Board needs to be more assertive with regard to evaluations and that the evaluation committee needs to play a more active role in scheduling Board discussions of IEO reports and in follow up. Some have suggested that there be a firm rule that IEO reports must be brought to the Board within a specified number of days after completion of the report. Such a rule may be too rigid, as other items may demand priority. However, **the Panel recommends that rather than leave it solely for Management to decide, the chair of the Evaluation Committee should**

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<sup>8</sup> Management counter that there is no evidence to support the interviewees' suspicions that management has played an active role in deciding on Board dates except for minor adjustments at the end of the process.

**invite the head of the IEO and the Secretary or other front office representatives to meet and to jointly decide the timing of the Board discussion of an IEO report.** This would ensure that it gets the Board's full attention.

A bigger problem is that there is no formal mechanism for the Board to follow-up specific recommendations made by the IEO. Directors can endorse them, but that does not guarantee follow-up or implementation. A number of people observed that the signaling effect of the Board discussion is weakened by the prevalence of "grays"-individual written statements by Directors and a paucity of actual debate in Board meetings that could coalesce opinion into consensus or a clear majority in support of specific changes in policy or practice. It is thus left to the Chair's written "summing up" of the discussion to define what has and has not been agreed. Management drafts the summing up, and may deem it pre-mature or undesirable to lay a path for implementation of IEO recommendations, particularly if it disagrees. Individual Executive Directors may return to issues raised by the IEO in subsequent program and policy discussions, but unless a substantial number do, and on a regular basis, nothing is likely to happen if Management opposes the changes. As one ED put it, more likely than not, "The Board discussion is the end of the story as far as the Board is concerned."

The IEO has begun to summarize implementation of its recommendations in the IEO annual report. However, since the annual report is not discussed formally by the Board, the IEO's findings regarding implementation -- or not -- are likely to pass unnoticed by many Directors. Management has set up taskforces in response to two IEO reports. The task force on Prolonged Use produced results, as noted, and a task force is working on the findings and recommendations of the Technical Assistance report. But this systematic follow-up is not the rule, and depends heavily on Management initiative.

**In the view of the panel there are several ways to strengthen follow-up. One would be for the IEO periodically to issue, for Board discussion, an evaluation of follow-up and implementation of its recommendations and findings on specific issues that appeared to enjoy support from the Board. Another measure would be for the Evaluation Committee to play a more active role. Soon after an IEO report has been presented and discussed by the Board, the Evaluation Committee could schedule a meeting with Management or relevant department heads, together with the team leader for the IEO to discuss what follow-up is being planned or considered. The Evaluation Committee could continue to monitor and report back to the Board.**

## **7. HAS OUTREACH AND DISSEMINATION BEEN CONDUCTIVE TO GREATER PUBLIC UNDERSTANDING OF THE IMF?**

**One of the most disquieting findings from our in-country consultations has been the inadequacy of the efforts by IEO to reach out to external stakeholders and civil society. This appears to have multiple causes: Insufficient commitment from the IEO leadership, lack of Board support, and outright opposition from some area departments. Turgid writing is also a problem.**

Outreach is critically important not only because it is part of the IEO remit to enhance broader understanding and inform people about their analyses and findings. It is equally a necessary tool for IEO to have any impact. Outreach amplifies pressures on the Fund to take the findings of the IEO reports seriously and act upon them in good faith as outsiders are closely watching developments and expecting action. A broader dissemination also permits member countries to use the findings at appropriate fora such as the International Monetary and Financial Committee to bring about the desired acceptable changes in the way the Fund operates. The accumulation of these gradual and measured changes in the processes, policies and programs of the Fund will increase its responsiveness to adapt itself to changing external circumstances. Without creating such pressures, the IEO work is unlikely to be effective because there is too little incentive on the Board and on Management to take its findings seriously and to follow-up on them.

A universal complaint is that the IEO's reports are too long, verbose and dense. Almost everyone we interviewed pleaded for reports which are concise and written in jargon-free language. **The panel recommends that the IEO should engage a professional well grounded in journalistic writings and media presentations to edit the reports, draft press releases and take charge of outreach.**

The IEO has consistently under-spent its approved budget allocation for outreach. In 2003 it spent only half of what had been allocated and in 2004, it spent less than one third. Only in 2005 was the outreach budget fully spent, but the budget allocation had been reduced that year, partly in response to Board pressure. A direct result of inadequate outreach is that many IMF-specialized officials, journalists and academics we interviewed in the course of this evaluation, had never seen or read an IEO report. In many of the countries visited, IEO reports were simply not available in the government ministries, academic institutions, and media. An indication of the insularity of the evaluation exercise is that while 72 percent of staff responding to our survey said they had discussed an IEO report with colleagues, 79 percent had never discussed an IEO report with anyone outside the Fund. This is surprising given how much time staff spend on mission and given that the IEO reports cover issues that affect a wide range of IMF members.

Outreach has been concentrated on the richest member countries. Twenty-two outreach events have been held in Europe, the US and Japan. Only a handful of workshops and seminars have been held in developing and emerging markets where hostility and misunderstanding of the IMF is greatest. The preponderance of activities in

the OECD countries may partially reflect the financing available and the co-sponsors willing and ready to host such events. But **the main battle over the ideas propounded by the IMF is taking place in the emerging, transition and developing countries and the panel believes outreach activities in these countries should be intensified.**

An obvious arrangement would be to organize these public events in collaboration with the local academics, research institutions, think tanks and media houses, with the help of knowledgeable IMF resident representatives and the professionals in the Fund's External Relations Department. IEO staff say they would have done more outreach in Asia, but faced hostility from the area department. However, the IMF's External Relations Department provided extensive support to the IEO in its first years and in 2004 did an assessment of the IEO's communications strategy and suggested ways to improve it. Nevertheless, the IEO chose to distance itself from External Relations and took direct charge of outreach, apparently out of concern that relying on the Fund's media operation could be seen to impinge on IEO independence. The panel believes this caution is misguided. While an arms length relationship to the Fund is necessary to protect the integrity of the IEO's evaluations, the panel sees no reason the External Relations Department or resident representatives cannot assist the IEO in dissemination and outreach once reports are completed and published. Their expertise can greatly enhance the IEO's outreach efforts.

The IEO website is difficult to find from the IMF's website. It should be made easily accessible and visible on the IMF's home page. That said, the IEO has relied excessively on the internet to make its reports available. Hard copies of the IEO Reports should be distributed free of charge to the universities, libraries, think tanks, media and government representatives in the developing countries, particularly in Sub Saharan Africa.

The outgoing Director and the present Director both say that the curtailment of the dissemination activities has been unfortunate and outreach should be given greater impetus and importance going forward. The panel strongly concurs. Public outreach is a central IEO mission and the Executive Board must ensure that it has adequate resources to do the job properly. **The Evaluation Committee should monitor outreach and make clear to the relevant functional and area departments that their full cooperation and support is expected.**

## **8. CONCLUSION**

The panel concludes that the IMF needs an independent evaluation office and that the IEO retains strong support from shareholders, the Board, staff and other stakeholders. In the first five years of its existence the IEO has met most of the expectations raised at the time of its creation. It has established itself as an independent body. Its reports are perceived as balanced and of good quality. The IEO is cost effective and its interventions and choice of topics have been satisfactory by and large. However, the panel identified a number of weaknesses in its performance and some worrying trends. We propose a number of steps to improve the IEO's performance.

**First, the IEO should address issues fundamental to how effectively the IMF is fulfilling its mandate and its terms of reference should be changed to make this clear. (See Appendix I) The IEO should be assured full access to information.**

**Second, the IEO should diversify its staff and contractual mix and make greater use of people of eminence from outside the Fund to lead evaluation teams. Strong outside personalities with limited IMF exposure are likely to bring a fresh perspective and questioning attitude and ensure that the IEO adds value to the array of evaluations already being undertaken within the Fund.**

**Third, a more systematic approach is needed to follow up the recommendations of the IEO and monitor their implementation. The Board and the Evaluation Committee need to take responsibility and play a more active role in this regard.**

**Fourth, the IEO's dissemination and outreach activities need a complete overhaul, particularly to raise the IEO's profile in developing and emerging economies where the IMF's role is considered most contentious.**

**Looking to the future, we fear the IEO could become bureaucratized, routinized and marginalized.** There is a danger that in relying heavily on present or former IMF staff members, the IEO will simply replicate the Fund's frame of reference and methodology - IEO reports viewed as just one more routine Fund document, indistinguishable from other staff reports. The IEO's work could become too enmeshed in IMF procedures and protocol and too focused on addressing the audience inside the IMF's walls. After the initial bang, the IEO may become a marginal player, its activities preempted by other units within the Fund or ad hoc groups and the IEO relegated to routine evaluations with little impact.

The IMF will only reap the full benefits of a strong IEO if the Board plays a more active role promoting its work and if the IMF's senior management takes a more consistently constructive and open stance towards the evaluation office. In its turn **the IEO must be bold - about what it evaluates, how it evaluates, and who it hires to do the job.**

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## APPENDIX I

### PROPOSED AMENDMENT TO THE TERMS OF REFERENCE OF THE IEO

“Purpose”

The Independent Evaluation Office (IEO) has been established to systematically conduct objective and independent evaluations [on issues, and on the basis of criteria,] of **the policies and work of the Fund, with due regard to issues that are** [relevance to the] **most relevant to how the IMF can best fulfill its mandate** [the mandate of the Fund]. It is intended to serve as a means to enhance the learning culture within the Fund, strengthen the Fund's external credibility, promote greater understanding of the work of the Fund throughout the membership, and support the Executive Board's institutional governance and oversight responsibilities. IEO has been designed to complement the review and evaluation work within the Fund and should, therefore, improve the institution's ability to draw lessons from its experience and more quickly integrate improvements into its future work.”

Note: New language is in bold, deleted language in brackets.

## **APPENDIX II**

### **TERMS OF REFERENCE OF THE INDEPENDENT EVALUATION OFFICE**

Revised November 16, 2004

#### **Purpose**

The Independent Evaluation Office (IEO) has been established to systematically conduct objective and independent evaluations on issues, and on the basis of criteria, of relevance to the mandate of the Fund. It is intended to serve as a means to enhance the learning culture within the Fund, strengthen the Fund's external credibility, promote greater understanding of the work of the Fund throughout the membership, and support the Executive Board's institutional governance and oversight responsibilities. IEO has been designed to complement the review and evaluation work within the Fund and should, therefore, improve the institution's ability to draw lessons from its experience and more quickly integrate improvements into its future work.

#### **Structure and accountabilities**

IEO will be independent of Fund management and staff and will operate at arm's-length from the Fund's Executive Board. Its structure and modalities of operation must protect its operational independence - both actual and perceived.

The Director will be appointed by the Executive Board for a non-renewable term of six years. The Director will be an official of the Fund, but not a staff member. The Director's appointment may be terminated at any time with the approval of the Executive Board. At the end of the term of service, the Director will not be eligible for appointment or reappointment to the regular staff of the Fund. The Director will be responsible for the selection of IEO personnel (including external consultants) on terms and conditions to be determined by the Board, with a view to ensuring that the office is staffed with independent and highly-qualified personnel. The majority of full-time IEO personnel will come from outside the Fund.

#### **Responsibilities**

The Director of IEO will be responsible for the preparation of the Work Program. The content of the Work Program should focus on issues of importance to the Fund's membership and of relevance to the mandate of the Fund. It should take into account current institutional priorities, and be prepared in light of consultations with Executive Directors and management, as well as with informed and interested parties outside the Fund. The Director will present IEO's Work Program to the Executive Board for its review.

IEO, through its Director, will report regularly to the Executive Board, including through the preparation of an Annual Report. It is also expected that the IMFC will receive regular reports on the activities and findings of IEO.

With respect to individual evaluations, staff, management and-when appropriate-the relevant country authorities, will be given an opportunity to comment on the assessments being presented to the Executive Board.

The Director of IEO, in consultation with Executive Directors, will prepare a budget proposal for IEO for consideration and approval by the Executive Board. Its preparation will be independent of the budgetary process over which management and the Office of Budget and Planning have authority, but its implementation will be subject to the Fund's budgeting and expenditure control procedures. IEO's budget will be appended to that of the Executive Board within the Fund's Administrative Budget.

If requested by the Executive Board, IEO will provide technical and administrative support for any external evaluations launched directly by the Executive Board.

### **Consultation, publication, and external relations**

In carrying out its mandate, including in the preparation of its Work Program, IEO will be free to consult with whomever and whichever groups it deems necessary, both within and outside the Fund.

IEO will have sole responsibility for drafting IEO evaluations, Annual Reports, press releases and other IEO documents or public statements.

IEO's Work Program will be made public and there will be a strong presumption that IEO reports will be published promptly (within the constraints imposed by the need to respect the confidentiality of information provided to the Fund by its members), unless, in exceptional circumstances, the Executive Board were to decide otherwise.

Publication of evaluations will be accompanied by comments from management, staff, and others, including relevant country authorities, where appropriate, along with the conclusions reached by the Board in considering the evaluation report.

### **Relations with Fund staff and management**

In conducting its work, IEO should avoid interfering with operational activities, including programs, or attempting to micro-manage the institution.

### **Review of experience with IEO**

Within three years of the launch of IEO operations, the Executive Board should initiate an external evaluation of IEO to assess its effectiveness and to consider possible improvements to its structure, mandate, operational modalities, or Terms of Reference. Without prejudging how that review would be conducted, it should be understood that the review would include the solicitation of broad-based input from outside the official community.

## APPENDIX III

### External Evaluation of the Fund's Independent Evaluation Office (IEO) Terms of Reference

September 14, 2005

#### 1. Purpose of the Evaluation

As foreseen in the terms of reference of the Independent Evaluation Office, the Executive Board has decided to initiate an external evaluation of the IEO. The purpose of the evaluation is to assess the effectiveness of the IEO and to consider possible improvements to its structure, mandate, operational modalities, and terms of reference. The main points of reference for the assessment are the IEO's goals, as set out in its terms of reference, namely to:

- serve as a means to enhance the learning culture within the Fund;
- strengthen the Fund's external credibility;
- promote greater understanding of the work of the Fund throughout its membership;
- support the Executive Board's institutional governance and oversight responsibilities.

#### 2. Focus of the Evaluation

In assessing the IEO's goals as set out in Section 1, the evaluators are requested to give particular attention to the following topics:

- (i) *Independence of the IEO.* The actual and perceived independence of the IEO is a key element for its successful operation. Has the framework defining the relationships between the IEO, management, and the Executive Board ensured its independence? Has the staffing of the office (internally and externally recruited personnel) and of the evaluation teams (full-time IEO personnel and external consultants) contributed to its independence? How independent are IEO evaluations perceived inside and outside the Fund?
- (ii) *Topics for evaluation.* The IEO terms of reference contains only very broad guidelines regarding the choice of evaluation topics. Has the choice of topics been appropriate in view of the IEO's goals, as set out in Section 1, and the Fund's institutional needs? How has the broad-based consultation process worked in defining evaluation topics? Has the guideline regarding the avoidance of interfering with operational activities or attempting to micromanage the institution been effective? Is there an appropriate division of labor between the IEO, the Office of Internal Audit, and the self-evaluation efforts? Should the IEO's role in assessing the Fund's organizational structure and internal processes be strengthened?
- (iii) *Conduct of evaluation.* Providing the opportunity for different parties to comment on the evaluation before its finalization while ensuring its independence constitutes a difficult trade-off. How have these issues been dealt with?
- (iv) *Evaluation results.* The effectiveness of independent evaluations hinges on the quality of the reports and the relevance and usefulness of their recommendations. How do target

audiences (both internal and external) perceive the overall quality of IEO reports? Were the recommendations generally perceived as useful by staff, management, the Board, and external audiences? Was an appropriate balance achieved between generality and specificity of the recommendations? Are follow-up procedures sufficient to ensure effective implementation of approved recommendations? Should the IEO's role in monitoring follow-up be strengthened? Is the current number of evaluations appropriate in terms of the Fund's ability to react effectively to the recommendations? Have the IEO's dissemination and outreach activities within and outside the Fund been appropriate and effective?

### **3. Evaluators**

The evaluation will be carried out by Ms. Karin Lissakers (Chairperson), Mr. Ishrat Husain and Ms. Ngairé Woods. They shall conduct their work freely and objectively and shall render impartial judgment and make recommendations to the best of their professional abilities. As noted in the IEO's terms of reference, an important element of the evaluation would be the solicitation of input from a broad range of stakeholders, both from the official as well as the nongovernmental community.

### **4. Access to Confidential Information and Protection of Confidentiality**

The evaluators shall have unrestricted access to interview staff, management, and Executive Board members, as well as to access all relevant Fund and IEO documents, minutes, and internal staff memoranda needed to carry out their task.

The evaluators undertake not to disclose, deliver, or use for personal gain or for the benefit of any person or entity without the consent of the Fund, any restricted or confidential information in possession of the Fund that they receive in the course of the evaluation. The Chairman of the Evaluation Committee will request an appropriate officer of the Fund to review the draft evaluation report with the purpose of pointing out to the evaluators any inadvertent disclosure of restricted or confidential information.

The evaluators are free to request information from country authorities and other sources outside the Fund as they deem appropriate.

### **5. Evaluation Report: Publication, Executive Board Consideration, and Comments**

The Fund reserves the exclusive right to publish the report, and the evaluators undertake not to publish any part of the report separately. The staff, management, the Executive Board, and the IEO will have the opportunity to respond to relevant parts of the evaluation report in draft form, as well as in final form. Evaluators are free to take account of any comments on the draft evaluation report.

Comments on the final evaluation report shall be considered part of the official record. There is a strong presumption that the Executive Board will decide to publish the evaluation report,

any comments thereon, as well as the conclusions of the Executive Board consideration of the report.

## **6. Resources and Timing**

The budget for the external evaluation of the IEO is expected to be US\$175,000 (excluding any administrative support from Executive Directors or Fund/IEO staff that might be requested by the evaluators). Within this total, and in consultation with the Chairman of the Evaluation Committee, the evaluators may arrange for research assistant support. The Fund will provide administrative support for the external evaluation.

The evaluators shall be provided with a letter of engagement, setting forth the terms and conditions approved by the Chairman of the Evaluation Committee. The “Terms of Reference of the External Evaluation of the Independent Evaluation Office,” dated September 14, 2005, shall be attached to the letter and acceptance of the engagement by the evaluators shall also mean acceptance of the “Terms of Reference.” The engagement will expire with delivery of the evaluation report and its consideration by the Executive Board, or if the Executive Board determines that the engagement should be terminated for any reason.

Evaluators will begin work in September 2005; completion of the evaluation report is expected for January 2006. The evaluators will keep the Chairman of the Evaluation Committee informed of the progress of the work.

## APPENDIX IV

**INTERNATIONAL MONETARY FUND****Director, Independent Evaluation Office (IEO)**Terms and Conditions of Appointment

The following employment terms and conditions shall apply to the appointment of the Director, Independent Evaluation Office (IEO):

1. The Director will be appointed by the Executive Board for a non-renewable term of six years. The Director will be an official of the Fund, but not a staff member.
2. The Director will perform his or her duties and responsibilities in accordance with the Terms of Reference of the Director, IEO.
3. The initial salary of the Director will not exceed the maximum of the third quartile of the salary range applicable to B5 level staff of the Fund at the time of appointment, and will be adjusted effective May 1 following his or her appointment, and on May 1 of each year thereafter, by the structural increase effective as of that date as applicable to B5 level staff.
4. The Director will receive the same benefits and travel allowances (for benefits and official travel) as Fund staff members with fixed-term appointments, subject to the eligibility criteria that apply to Fund staff with fixed-term appointments and pursuant to the G.A.O.s and rules applicable to Fund staff. Such benefits and travel allowances will be administered in the same way, and by the same officials, that they are administered for fixed term staff, except that disputes, which exist following a review and decision by the Director, HRD, will be finally resolved by arbitration, as referred to in paragraph 6 below. Such benefits include, but are not limited to the following:
  - a. annual, sick, and personal leave provided under prescribed circumstances;
  - b. home leave travel and allowances and education allowances;
  - c. medical and life insurance;
  - d. spouse and dependency allowances;
  - e. recruitment travel;
  - f. relocation and separation grants and allowances;
  - g. financial assistance through salary advances;
  - h. tax allowances;
  - i. estate tax safety net; and
  - j. worker's compensation coverage.

5. The Director will have the option to either:

(a) participate, or continue participation, in the Fund's Staff Retirement Plan, provided that he or she fulfills any applicable requirements of the Plan; or

(b) continue participation in the pension plan of his or her former employer, provided that he or she was not employed by the Fund immediately before appointment to IEO, with the Fund reimbursing the employer's contributions, subject to a maximum of 14 percent of gross remuneration.

6. In the event of any disagreement or dispute arising under the terms and conditions of his or her appointment, including the application of the eligibility criteria and other conditions of the regulations governing benefits, but excluding a decision taken by the Executive Board under paragraph 8, below, after unsuccessfully attempting to resolve the matter by mutual agreement, the Director may within six months from the time the dispute arose, request that the dispute be submitted to final and binding arbitration. (The Director will not have access to the Fund's Grievance Committee or, except with respect to the Staff Retirement Plan, the Administrative Tribunal.) Such arbitration will be conducted according to the relevant rules for arbitration of employment disputes of the American Arbitration Association then in effect. The arbitration shall be conducted by one arbitrator selected by the Executive Board. The arbitral case will be decided according to the terms and conditions of appointment applicable to the Director and according to commonly accepted legal principles applicable to international civil servants and international organizations, particularly the Fund. Unless the arbitral award provided otherwise, the Fund and the Director shall pay their own costs, including attorney's fees, in the preparation and presentation of the claims or responses in the arbitral proceedings. The Fund will pay the arbitrator's fees and provide the facilities for the conduct of the proceedings. The arbitral award shall be rendered within thirty (30) days of the final hearing on the disputes. Such award shall be in writing. The arbitral award shall be considered final and binding upon the parties. Agreement to arbitration of disputes does not constitute a waiver of the Fund's immunities.

7. The substantive obligations contained in the rules of conduct, including the N-Rules, G.A.O.s and the financial disclosure requirements applicable to the staff of the Fund, (referred to in the Code of Conduct applicable to staff members) as amended from time to time, shall apply to the Director to the same extent that they apply to staff, subject to the Terms of Reference for the Director<sup>1</sup> and with the following additional modifications:  
(a) issues that arise in connection with the application of the rules of conduct will be considered and acted upon by the Ethics Committee that is established under the Code of Conduct for the Members of the Executive Board of the International Monetary Fund (Board

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<sup>1</sup> The Terms of Reference set forth the terms governing when and under what circumstances the Director may engage in public communications or publish materials regarding the activities of the IEO.

Code); (b) the Ethics Committee will apply the process and procedural provisions of the Board Code, adapted as it considers appropriate for application to matters concerning the Director; (c) the Director shall disclose his or her financial or business interests to the compliance officer used for disclosures from Executive Directors; (d) the Ethics Committee will make recommendations to the Executive Board for decisions, including the imposition of sanctions for breach of the Code of Conduct which, considering the circumstances, may include one or more of the disciplinary measures provided for in the regulations applicable to staff; and (e) provisions in the Code of Conduct that refer to the Managing Director as the authority to which staff members are responsible shall be replaced by reference to the Executive Board.

8. The appointment of a Director may be terminated before the expiration of the term by the Executive Board and such decision will be final and binding, and shall not be subject to arbitration or any other form of legal recourse. If the Director voluntarily resigns the appointment, he or she will give not less than sixty (60) days notice of resignation to the Executive Board. At the end of the term of service, the Director will not be eligible for appointment or reappointment to the regular staff of the Fund.

9. If the Director's service is terminated by the Executive Board before the expiration of the applicable term of his or her appointment, he or she will receive a termination indemnity equivalent to the lesser of six months of salary or continuation of salary until the expiration of the term of appointment. However, the Executive Board may decide that no termination indemnity will be paid if the Director's appointment is terminated for breach of the Code of Conduct or other misconduct. A dispute arising under this paragraph is subject to resolution by arbitration in accordance with paragraph 6, above.

## **International Monetary Fund**

### **DIRECTOR, INDEPENDENT EVALUATION OFFICE (IEO)**

#### **Terms of Reference**

##### **Duties and Responsibilities**

1. The Director will be responsible for establishing and carrying out the work program of the Independent Evaluation Office (IEO). The duties and responsibilities of the Director shall be performed consistently with the Terms of Reference of the IEO. The plans for and prioritization of the work program will be prepared in consultation with members of the Executive Board and Management. The Director will present an annual work program to the Executive Board for review no less than sixty days in advance of the beginning of each fiscal year. The Director will provide support for the conduct of evaluations that are initiated by the Executive Board and will adjust or revise the work program of the IEO to accommodate such evaluations. Amendments to the work program will be presented to the Executive Board for review.

2. The Director will be responsible for the management of the budget of the IEO and has the authority to commit resources from IEO's budget. The budget for the IEO will be prepared and monitored in a manner that is consistent with the way that the Fund's Administrative Budget is prepared and monitored. The budget will be submitted within the time required so that it can be incorporated in and approved by the Executive Board along with the Fund's Administrative Budget.

3. The Director will be responsible for the management of the personnel of the IEO, in consultation with the Human Resources Department (HRD). The Director will organize and supervise the personnel and determine individual responsibilities.

(A) The Director will select the persons to fill noncontractual positions and will inform the Executive Board at least two weeks in advance of any action to appoint, promote or dismiss IEO employees at the equivalent of Grade B1 or above. The Director will approve IEO employees' term of service; establish performance plans; conduct performance assessments; approve classifications of positions and decide upon salary adjustments within the Fund's structure of staff grades and salaries; approve changes in titles or levels; and approve training for IEO employees. In these matters, the same rules and procedures applicable to staff members will be applied by the Director to the IEO employees. In the event that the special status of the IEO makes it necessary to alter these rules and procedures, the Director, IEO, after consultation with the Director, HRD, and the Executive Board, may adapt these rules and procedures to the same extent as may be authorized by the Managing Director with respect to staff. In particular, appointments and promotions of IEO employees do not require approval by Fund staff or review by the Review Committee or the Senior Review Committee. The Director, IEO will inform the Executive Board and the Director,

HRD of such adaptations of the rules and procedures. The Director will, subject to the paramount importance of securing the highest standards of efficiency and technical competence, pay due regard to the importance of diversity, particularly international diversity, in recruiting IEO personnel. The Director will sign the fixed-term appointment letters of employees for terms of at least two and up to four years, may approve extensions of fixed-term appointments for up to a total of six years of service at the IEO, and may decide to terminate employment agreements. The actions referred to in this paragraph shall be carried out in accordance with the provisions of individuals' terms of appointment as provided in the attached "Terms and Conditions of Appointment of Non-contractual Employees of the Independent Evaluation Office (IEO)". The Director will comply with the dispute resolution provisions of IEO employees' terms of appointment.

(B) For contractual services, the Director may execute agreements as he or she considers appropriate for the conduct of the functions of the IEO for periods up to a maximum of one year and on other terms and conditions that are consistent with the policies and procedures applicable to employment or procurement contracts of the Fund..

4. The Director will comply with financial control policies, regulations, and procedures that apply in the Fund.

5. The Director will submit an annual report to the Executive Board of the IEO's activities which will contain an overview of its activities and of the evaluations conducted. In addition, the Director will provide the Executive Board with reports of the IEO's activities on a regular periodic basis and upon request.

6. The Director will adopt, in consultation with Executive Board, standard rules for the publication of evaluation reports and other documents produced by the IEO.

7. The Director, in consultation with the Executive Board, will identify the criteria that will be used in evaluations conducted by the IEO.

### **Accountability**

8. In the conduct of the activities of the IEO, the Director will take into account the Executive Board's reactions to its reports and assessments of the performance of the IEO. The Director and personnel of the IEO will cooperate with the conduct of assessments of IEO's effectiveness that are undertaken by the Executive Board.

### **Independent Judgment**

9. Actions taken by the Director will be taken on the basis of his or her independent judgment.

### **Relationship with Executive Directors**

10. The Director may consult with Executive Directors in groups or individually on matters relating to the activities of the IEO. Information provided to any Executive Director will be made available to other Executive Directors. The Director will ensure that IEO personnel honor these guidelines.

11. The Director, and IEO personnel, will respect the confidentiality of information or views provided on a confidential basis by any Executive Director; such information or views may be taken into consideration, but the identity of the source will not be disclosed.

### **Relationship with Fund Management and Staff**

12. The Director may consult with and shall have the right to obtain information from members of Management and staff to carry out the work program of the IEO, except to the extent that the information requested is subject to the attorney-client privilege. The Director will respect the confidentiality of views expressed in confidence by Management or staff; if such views are included in any reports or other documents, the identity of the source will not be disclosed. Information obtained from Management or staff that was provided by officials of a member (or other source) on a confidential basis will not be disclosed by the Director or IEO personnel without the consent of the member (or other source). When the source of the information obtained from Management or staff is an official of a member of the Fund, such official, or another official representing the member, will be notified of the information obtained and will be given an opportunity to comment upon the matter.

### **Relationship with External Persons and Organizations**

13. The Director will consult with and provide information to external persons, organizations, and the public about the IEO's activities and the findings and conclusions reached in its evaluations, in so far that disclosures are consistent with the obligations regarding confidentiality and the Terms of Reference of the IEO.

**APPENDIX V**

**SURVEY RESULTS**

	All Staff	Familiar with IEO Only	B1 to B5 Staff	A14/A15 Staff	A12/A13 Staff	A9-A11 Staff
Slide Number from Presentation	1					
Staff Answering this Question	761	311	169	276	198	117
<b>Section</b>	Respondent Profile by Office Location					
<b>Title</b>	Location					
<b>Question</b>	Where are you located?					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
Washington D.C.	94.7%	93.6%	93.5%	92.4%	97.0%	98.3%
A location other than Washington, D.C.	5.3%	6.4%	6.5%	7.6%	3.0%	1.7%

Slide Number from Presentation	2					
Staff Answering this Question	763	311	169	277	199	118
<b>Section</b>	Respondent Profile by Position					
<b>Title</b>	Position in the IMF					
<b>Question</b>	Which category best describes your position in the IMF?					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
A9-A11	15.5%	4.2%	0.0%	0.0%	0.0%	100.0%
A12-A13	26.1%	20.3%	0.0%	0.0%	100.0%	0.0%
A14-A15	36.3%	36.7%	0.0%	100.0%	0.0%	0.0%
B1-B5	22.1%	38.9%	100.0%	0.0%	0.0%	0.0%

Slide Number from Presentation	3					
Staff Answering this Question	748	310	168	274	193	113
<b>Section</b>	Respondent Profile by Department					
<b>Title</b>	Area/department					
<b>Question</b>	In which area/department do you work?					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
Fiscal Affairs Department (FAD)	8.2%	10.3%	7.7%	9.9%	8.3%	4.4%
Policy Development and Review Departm	9.2%	12.3%	9.5%	9.5%	10.9%	5.3%
Monetary and Financial Systems Departm	10.0%	12.6%	10.7%	11.3%	9.8%	6.2%
International Capital Markets Department	2.4%	2.3%	2.4%	2.9%	1.6%	2.7%
Research Department (RES)	4.5%	4.8%	5.4%	3.3%	6.2%	3.5%
Office of the Managing Director (OMD)	1.2%	1.6%	3.0%	0.4%	0.0%	2.7%
Office of Internal Audit and Inspection (OI	0.8%	1.0%	0.6%	1.1%	1.0%	0.0%
African Department (AFR)	9.1%	8.4%	8.3%	9.9%	8.3%	9.7%
Asia and Pacific Department (APD)	5.3%	6.8%	7.1%	5.5%	4.7%	3.5%
European Department (EUR)	8.8%	5.5%	8.9%	10.6%	8.3%	5.3%
Middle East and Central Asia Department	6.4%	6.8%	6.5%	8.0%	6.2%	2.7%
Western Hemisphere Department (WHD)	7.1%	7.4%	7.7%	9.1%	5.7%	3.5%
Other (please specify)	26.9%	20.3%	22.0%	18.6%	29.0%	50.4%

Slide Number from Presentation	4					
Staff Answering this Question	739	312	168	268	191	110
<b>Section</b>	Perception of IEO					
<b>Title</b>	Familiarity with IEO					
<b>Question</b>	On a 5-point scale where '5' means 'Extremely familiar' and '1' means 'Not at all familiar', how familiar are you with the IEO?					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Extremely familiar	10.0%	23.7%	23.8%	8.2%	4.7%	1.8%
4	32.2%	76.3%	48.2%	34.3%	28.3%	10.0%
3	33.2%	0.0%	22.0%	39.2%	33.5%	34.5%
2	15.8%	0.0%	5.4%	12.3%	24.6%	25.5%
1 Not at all familiar	8.8%	0.0%	0.6%	6.0%	8.9%	28.2%

Slide Number from Presentation	5					
Staff Answering this Question	643	308	162	244	161	74
<b>Section</b>	Perception of IEO					
<b>Title</b>	Independence of IEO					
<b>Question</b>	On a 5-point scale where '5' means 'Very independent' and '1' means 'Not at all independent', in your opinion, how independent is the IEO?					

Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Very Independent	15.7%	24.7%	24.7%	11.1%	12.4%	17.6%
4	48.8%	50.3%	57.4%	48.0%	47.8%	35.1%
3	26.9%	19.5%	13.0%	31.6%	31.7%	32.4%
2	7.6%	5.2%	4.9%	8.2%	7.5%	12.2%
1 Not at all independent	0.9%	0.3%	0.0%	1.2%	0.6%	2.7%

Slide Number from Presentation	6					
Staff Answering this Question	657	309	164	248	166	77
Section	Perception of IEO					
Title	Past work for IEO					
Question	Have you ever worked for the IEO?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Yes	1.4%	2.3%	0.6%	2.4%	0.6%	1.3%
No	98.6%	97.7%	99.4%	97.6%	99.4%	98.7%

Slide Number from Presentation	7					
Staff Answering this Question	657	309	165	247	166	77
Section	Perception of IEO					
Title	Attitude toward working for the IEO					
Question	Would you consider working for the IEO?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Yes	39.0%	43.4%	37.6%	40.1%	38.0%	39.0%
No	25.9%	28.5%	34.5%	23.5%	19.9%	28.6%
Not sure	35.2%	28.2%	27.9%	36.4%	42.2%	32.5%

Slide Number from Presentation	8					
Staff Answering this Question	657	309	165	248	165	77
Section	Perception of IEO					
Title	Value of IEO to career					
Question	Do you believe that working for the IEO would advance your career?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Yes	11.0%	12.3%	5.5%	10.5%	16.4%	13.0%
No	39.1%	47.2%	59.4%	35.9%	30.9%	23.4%
Not sure	49.9%	40.5%	35.2%	53.6%	52.7%	63.6%

Slide Number from Presentation	9					
Staff Answering this Question	631	297	159	238	158	74
Section	Perception of IEO					
Title	Career benefits in working for the IEO					
Question	What would you consider to be the benefits to your career in working for the IEO? (Check all that apply)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Obtain in-depth cross divisional/functional	60.7%	59.9%	57.2%	60.9%	65.2%	59.5%
Expand analytical skills outside my area of	43.6%	43.1%	40.3%	43.7%	43.0%	52.7%
Potential pay increase	3.6%	1.3%	1.3%	2.1%	6.3%	8.1%
Increase my role in policy debate	39.0%	40.1%	35.2%	39.1%	45.6%	33.8%
Promotion opportunity	12.8%	8.4%	3.8%	13.0%	15.2%	25.7%
Don't know	19.3%	15.8%	17.6%	18.9%	19.0%	24.3%
Other (please specify)	11.4%	15.2%	15.1%	10.9%	8.9%	9.5%

Slide Number from Presentation	10					
Staff Answering this Question	618	293	157	237	151	71
Section	Perception of IEO					
Title	Disadvantages in working for the IEO					
Question	What would you consider to be the disadvantages to your career in working for the IEO? (Check all that apply)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Lack of specific divisional goals	15.9%	15.7%	14.0%	17.7%	15.2%	14.1%
Poor reputation of IEO among IMF staff	11.3%	13.7%	14.6%	12.2%	9.3%	5.6%
Lack of challenging work	7.4%	6.8%	7.6%	8.9%	7.9%	1.4%
A loss of pay increases	3.9%	4.1%	2.5%	3.0%	5.3%	7.0%
Potential conflicts with colleagues	32.7%	32.1%	38.9%	36.7%	28.5%	15.5%
Loss of opportunities for promotion	32.8%	37.5%	36.3%	38.0%	28.5%	16.9%
Don't know	27.8%	21.2%	16.6%	21.1%	39.1%	50.7%
Other (please specify)	19.3%	23.9%	24.8%	19.4%	15.9%	12.7%

Slide Number from Presentation	11					
Staff Answering this Question	641	305	164	242	161	72
Section	Perception of IEO					
Title	Collaborative – Defensive					
Question	On a 5-point scale where '5' means 'Collaborative' and '1' means 'Defensive'...					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Collaborative	18.1%	26.6%	32.9%	13.6%	11.2%	13.9%
4	26.8%	32.5%	33.5%	29.8%	21.7%	12.5%
3	16.4%	17.0%	14.6%	20.7%	14.3%	11.1%
2	4.1%	3.0%	4.3%	5.4%	3.7%	0.0%
1 Defensive	1.7%	2.0%	1.8%	2.1%	1.9%	0.0%
Don't know/NA	32.9%	19.0%	12.8%	28.5%	47.2%	62.5%

Slide Number from Presentation	12					
Staff Answering this Question	632	300	163	240	157	70
Section	Summary: View of IEO recommendations					
Title	y Comparison: View of IEO recommendations					
Question	On a 5-point scale where '5' means 'Very seriously' and '1' means 'Not at all seriously please rate.					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
IMF management view of IEO recommend	53.3%	62.6%	65.2%	55.4%	47.5%	30.0%
Department head view of IEO recommend	54.1%	63.1%	70.4%	53.1%	48.4%	31.4%
IMF Executive Board view of IEO recomn	50.3%	61.0%	60.7%	55.8%	41.4%	25.7%

Slide Number from Presentation	13					
Staff Answering this Question	638	305	164	242	160	70
Section	Perception of IEO					
Title	View of IEO recommendations					
Question	On a 5-point scale where '5' means 'Very seriously' and '1' means 'Not at all seriously please rate.					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Very seriously	14.1%	17.4%	15.9%	13.6%	15.0%	10.0%
4	39.2%	45.2%	49.4%	41.7%	32.5%	20.0%
3	21.3%	21.6%	16.5%	24.0%	20.0%	27.1%
2	7.4%	6.2%	6.7%	6.6%	9.4%	7.1%
1 Not at all seriously	1.4%	1.3%	1.8%	1.7%	0.6%	1.4%
Don't know/NA	16.6%	8.2%	9.8%	12.4%	22.5%	34.3%

Slide Number from Presentation	14					
Staff Answering this Question	634	301	162	241	159	70
Section	Perception of IEO					
Title	View of IEO recommendations					
Question	On a 5-point scale where '5' means 'Very seriously' and '1' means 'Not at all seriously please rate.					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Very seriously	19.1%	23.3%	27.2%	17.4%	13.8%	17.1%
4	35.0%	39.3%	43.2%	35.7%	34.6%	14.3%
3	13.6%	13.6%	13.0%	16.6%	10.7%	11.4%
2	4.7%	3.7%	3.7%	5.0%	6.9%	1.4%
1 Not at all seriously	1.9%	2.0%	2.5%	2.1%	1.3%	1.4%
Don't know/NA	25.7%	17.6%	10.5%	23.2%	32.7%	54.3%

Slide Number from Presentation	15					
Staff Answering this Question	632	300	163	240	157	70
Section	Perception of IEO					
Title	View of IEO recommendations					
Question	On a 5-point scale where '5' means 'Very seriously' and '1' means 'Not at all seriously please rate.					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Very seriously	14.6%	19.7%	19.6%	13.8%	13.4%	8.6%
4	35.8%	41.3%	41.1%	42.1%	28.0%	17.1%
3	19.8%	19.0%	18.4%	20.8%	19.1%	21.4%
2	7.1%	5.0%	4.9%	5.8%	10.8%	8.6%
1 Not at all seriously	2.1%	2.7%	3.1%	1.7%	1.3%	2.9%
Don't know/NA	20.7%	12.3%	12.9%	15.8%	27.4%	41.4%

Slide Number from Presentation	16					
Staff Answering this Question	621	299	164	234	155	67
<b>Section</b>	Summary: View of the culture of the IMF					
<b>Title</b>	son: Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
Secretive	35.5%	33.7%	27.3%	40.8%	34.6%	39.4%
A-political	21.6%	20.8%	23.0%	18.0%	26.8%	19.4%
Individualistic	22.9%	20.2%	19.6%	26.5%	18.8%	27.7%
Bureaucratic	74.2%	74.6%	66.3%	78.7%	75.8%	75.0%
Mover of Money	9.8%	10.7%	7.6%	9.6%	10.0%	15.9%
Hierarchical	87.9%	90.0%	87.7%	90.4%	87.8%	80.6%
Homogeneous/Conforming	60.5%	63.1%	66.3%	62.1%	62.3%	37.3%
Technical/Economic	74.9%	74.6%	75.0%	76.1%	76.8%	67.2%

Slide Number from Presentation	17					
Staff Answering this Question	625	300	161	238	159	66
<b>Section</b>	Perception of IEO					
<b>Title</b>	Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Describes completely	6.4%	5.7%	3.1%	6.7%	8.2%	9.1%
4	29.1%	28.0%	24.2%	34.0%	26.4%	30.3%
3	35.2%	35.0%	39.8%	33.2%	35.2%	31.8%
2	20.0%	20.7%	20.5%	18.5%	22.6%	18.2%
1 Does not describe at all	7.4%	8.7%	9.9%	7.1%	5.7%	6.1%
Don't know/NA	1.9%	2.0%	2.5%	0.4%	1.9%	4.5%

Slide Number from Presentation	18					
Staff Answering this Question	619	298	161	233	157	67
<b>Section</b>	Perception of IEO					
<b>Title</b>	Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Describes completely	3.9%	4.0%	4.3%	2.6%	6.4%	1.5%
4	17.8%	16.8%	18.6%	15.5%	20.4%	17.9%
3	26.3%	28.5%	29.8%	28.3%	22.3%	20.9%
2	30.0%	28.9%	35.4%	29.2%	25.5%	31.3%
1 Does not describe at all	19.7%	20.5%	11.2%	23.2%	22.3%	22.4%
Don't know/NA	2.3%	1.3%	0.6%	1.3%	3.2%	6.0%

Slide Number from Presentation	19					
Staff Answering this Question	612	297	158	234	154	65
<b>Section</b>	Perception of IEO					
<b>Title</b>	Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Describes completely	5.2%	3.4%	3.8%	6.4%	5.2%	4.6%
4	17.6%	16.8%	15.8%	20.1%	13.6%	23.1%
3	28.1%	27.9%	25.9%	25.2%	35.1%	27.7%
2	25.0%	28.6%	27.8%	27.4%	20.8%	20.0%
1 Does not describe at all	19.1%	19.5%	21.5%	17.9%	21.4%	12.3%
Don't know/NA	4.9%	3.7%	5.1%	3.0%	3.9%	12.3%

Slide Number from Presentation	20					
Staff Answering this Question	628	299	163	239	157	68
<b>Section</b>	Perception of IEO					
<b>Title</b>	Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					

Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Describes completely	35.4%	31.8%	20.9%	37.7%	42.0%	47.1%
4	38.9%	42.8%	45.4%	41.0%	33.8%	27.9%
3	17.2%	16.1%	19.6%	15.5%	17.2%	17.6%
2	6.2%	7.0%	11.0%	5.0%	3.8%	4.4%
1 Does not describe at all	0.6%	0.7%	1.8%	0.0%	0.6%	0.0%
Don't know/NA	1.8%	1.7%	1.2%	0.8%	2.5%	2.9%

Slide Number from Presentation	21					
Staff Answering this Question	601	291	158	229	150	63
<b>Section</b>	Perception of IEO					
<b>Title</b>	Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Describes completely	1.5%	1.4%	0.6%	1.7%	1.3%	3.2%
4	8.3%	9.3%	7.0%	7.9%	8.7%	12.7%
3	22.5%	21.0%	13.3%	23.6%	24.7%	36.5%
2	25.8%	27.8%	29.1%	28.8%	23.3%	12.7%
1 Does not describe at all	28.5%	29.9%	38.0%	27.1%	26.7%	14.3%
Don't know/NA	13.5%	10.7%	12.0%	10.9%	15.3%	20.6%

Slide Number from Presentation	22					
Staff Answering this Question	628	299	163	239	156	67
<b>Section</b>	Perception of IEO					
<b>Title</b>	Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Describes completely	53.0%	53.8%	39.9%	58.6%	59.0%	52.2%
4	34.8%	36.1%	47.9%	31.8%	28.8%	28.4%
3	7.7%	5.4%	7.4%	7.9%	4.5%	14.9%
2	1.9%	2.0%	1.8%	0.4%	4.5%	1.5%
1 Does not describe at all	0.5%	0.7%	1.2%	0.4%	0.0%	0.0%
Don't know/NA	2.1%	2.0%	1.8%	0.8%	3.2%	3.0%

Slide Number from Presentation	23					
Staff Answering this Question	617	298	163	232	154	67
<b>Section</b>	Perception of IEO					
<b>Title</b>	Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Describes completely	18.5%	19.5%	11.0%	20.7%	24.0%	16.4%
4	42.0%	43.6%	55.2%	41.4%	38.3%	20.9%
3	24.3%	21.8%	20.2%	26.7%	19.5%	37.3%
2	8.3%	8.7%	8.6%	5.2%	9.7%	14.9%
1 Does not describe at all	3.7%	3.7%	2.5%	3.9%	4.5%	4.5%
Don't know/NA	3.2%	2.7%	2.5%	2.2%	3.9%	6.0%

Slide Number from Presentation	24					
Staff Answering this Question	621	299	164	234	155	67
<b>Section</b>	Perception of IEO					
<b>Title</b>	Current organizational culture of the IMF					
<b>Question</b>	On a 5-point scale where '5' means 'Describes completely' and '1' means 'Does not describe at all' how do the following describe the current organizational culture of the IMF?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Describes completely	23.2%	21.4%	18.9%	18.4%	30.3%	34.3%
4	51.7%	53.2%	56.1%	57.7%	46.5%	32.8%
3	17.9%	18.4%	20.1%	15.8%	15.5%	25.4%
2	4.2%	4.0%	3.7%	4.7%	5.2%	1.5%
1 Does not describe at all	0.5%	0.7%	0.0%	0.9%	0.6%	0.0%
Don't know/NA	2.6%	2.3%	1.2%	2.6%	1.9%	6.0%

Slide Number from Presentation	25					
Staff Answering this Question	630	304	163	240	158	67

Section	Perception of IEO					
Title	IEO's effect on IMF organizational culture					
Question	Is the IEO changing the IMF's organizational culture?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Yes	16.0%	22.4%	21.5%	16.3%	11.4%	13.4%
No	43.5%	47.4%	49.7%	41.3%	42.4%	38.8%
Don't know	40.5%	30.3%	28.8%	42.5%	46.2%	47.8%

Slide Number from Presentation	26					
Staff Answering this Question	624	300	162	236	158	66
Section	Perception of IEO					
Title	Consulted IEO website					
Question	Have you ever consulted the IEO website?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Yes	47.8%	59.3%	47.5%	47.5%	53.8%	33.3%
No	52.2%	40.7%	52.5%	52.5%	46.2%	66.7%

Slide Number from Presentation	27					
Staff Answering this Question	302	179	76	115	86	23
Section	Perception of IEO					
Title	IEO website rating					
Question	On a 5-point scale where '5' means 'Very useful' and '1' means 'Not at all useful', how would you rate the IEO website?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Very useful	8.3%	11.7%	13.2%	8.7%	4.7%	4.3%
4	44.7%	45.8%	46.1%	53.0%	37.2%	26.1%
3	40.1%	35.8%	30.3%	34.8%	52.3%	52.2%
2	5.3%	5.0%	7.9%	2.6%	3.5%	17.4%
1 Not at all useful	1.7%	1.7%	2.6%	0.9%	2.3%	0.0%

Slide Number from Presentation	28					
Staff Answering this Question	611	297	160	233	153	63
Section	Summary of IEO's influence					
Title	Influence over topics the IEO selects to evaluate					
Question	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Executive Board	37.3%	32.3%	23.1%	43.3%	38.6%	49.2%
IEO office	29.6%	38.4%	45.0%	25.3%	25.5%	15.9%
Borrowing members	0.7%	0.7%	0.0%	0.4%	0.7%	3.2%
Non-borrowing members	4.7%	3.0%	2.5%	4.3%	7.8%	4.8%
Senior management	12.6%	14.1%	12.5%	15.0%	11.8%	6.3%
Policy Development and Review Department	0.3%	0.3%	1.3%	0.0%	0.0%	0.0%
External public pressures	2.5%	2.4%	2.5%	2.6%	2.0%	3.2%
Don't know	12.3%	8.8%	13.1%	9.0%	13.7%	17.5%

Slide Number from Presentation	29					
Staff Answering this Question	468	230	121	191	112	44
Section	Evaluation Process					
Title	Influence over topics the IEO selects to evaluate					
Question	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice	48.7%	41.7%	30.6%	52.9%	52.7%	70.5%
Second Choice	36.5%	40.0%	46.3%	33.5%	36.6%	22.7%
Third Choice	14.7%	18.3%	23.1%	13.6%	10.7%	6.8%

Slide Number from Presentation	30					
Staff Answering this Question	385	205	119	144	87	34
Section	Evaluation Process					
Title	Influence over topics the IEO selects to evaluate					
Question	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice	47.0%	55.6%	60.5%	41.0%	44.8%	29.4%
Second Choice	28.1%	25.4%	22.7%	22.7%	31.9%	35.3%
Third Choice	24.9%	19.0%	16.8%	27.1%	28.7%	35.3%

Slide Number from Presentation	31						
Staff Answering this Question	35	17	4	16	10	5	
<b>Section</b>	Evaluation Process						
<b>Title</b>	Influence over topics the IEO selects to evaluate						
<b>Question</b>	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)						
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	11.4%	11.8%	0.0%	6.3%	10.0%	40.0%	
Second Choice	28.6%	23.5%	25.0%	25.0%	40.0%	20.0%	
Third Choice	60.0%	64.7%	75.0%	68.8%	50.0%	40.0%	

Slide Number from Presentation	32						
Staff Answering this Question	91	43	18	41	26	6	
<b>Section</b>	Evaluation Process						
<b>Title</b>	Influence over topics the IEO selects to evaluate						
<b>Question</b>	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)						
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	31.9%	20.9%	22.2%	24.4%	46.2%	50.0%	
Second Choice	33.0%	39.5%	44.4%	31.7%	26.9%	33.3%	
Third Choice	35.2%	39.5%	33.3%	43.9%	26.9%	16.7%	

Slide Number from Presentation	33						
Staff Answering this Question	314	161	78	134	77	25	
<b>Section</b>	Evaluation Process						
<b>Title</b>	Influence over topics the IEO selects to evaluate						
<b>Question</b>	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)						
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	24.5%	26.1%	25.6%	26.1%	23.4%	16.0%	
Second Choice	39.8%	37.3%	30.8%	40.3%	40.3%	64.0%	
Third Choice	35.7%	36.6%	43.6%	33.6%	36.4%	20.0%	

Slide Number from Presentation	34						
Staff Answering this Question	54	22	17	19	14	4	
<b>Section</b>	Evaluation Process						
<b>Title</b>	Influence over topics the IEO selects to evaluate						
<b>Question</b>	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)						
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	3.7%	4.5%	11.8%	0.0%	0.0%	0.0%	
Second Choice	33.3%	40.9%	47.1%	42.1%	7.1%	25.0%	
Third Choice	63.0%	54.5%	41.2%	57.9%	92.9%	75.0%	

Slide Number from Presentation	35						
Staff Answering this Question	206	106	55	79	54	18	
<b>Section</b>	Evaluation Process						
<b>Title</b>	Influence over topics the IEO selects to evaluate						
<b>Question</b>	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)						
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	7.3%	6.6%	7.3%	7.6%	5.6%	11.1%	
Second Choice	35.9%	34.0%	36.4%	34.2%	40.7%	27.8%	
Third Choice	56.8%	59.4%	56.4%	58.2%	53.7%	61.1%	

Slide Number from Presentation	36						
Staff Answering this Question	122	49	32	37	30	21	
<b>Section</b>	Evaluation Process						
<b>Title</b>	Influence over topics the IEO selects to evaluate						
<b>Question</b>	In your opinion, please rank who has the most influence over topics the IEO selects to evaluate? (Please check only 1 response for each choice)						
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	61.5%	53.1%	65.6%	56.8%	70.0%	52.4%	
Second Choice	0.8%	0.0%	0.0%	0.0%	0.0%	4.8%	
Third Choice	37.7%	46.9%	34.4%	43.2%	30.0%	42.9%	

Slide Number from Presentation		37					
Staff Answering this Question		624	300	163	236	156	66
<b>Section</b>		Evaluation Process					
<b>Title</b>		Were you consulted?					
<b>Question</b>		On a 5-point scale where '5' means 'Consulted' and '1' means 'Not at all consulted'...					
<b>Value</b>		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Consulted		14.1%	21.7%	25.2%	12.7%	9.0%	4.5%
	4	24.2%	30.3%	36.2%	25.8%	15.4%	10.6%
	3	18.4%	20.0%	15.3%	22.5%	18.6%	7.6%
	2	11.2%	9.3%	9.2%	12.7%	10.3%	13.6%
1 Not at all consulted		3.4%	2.3%	2.5%	3.4%	4.5%	3.0%
Don't know/NA		28.7%	16.3%	11.7%	22.9%	42.3%	60.6%

Slide Number from Presentation		38					
Staff Answering this Question		613	297	161	234	152	63
<b>Section</b>		Evaluation Process					
<b>Title</b>		Areas of involvement in IEO evaluations					
<b>Question</b>		In what areas have you been personally involved in IEO evaluations (Check all that apply)					
<b>Value</b>		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
No previous involvement		38.8%	20.2%	14.9%	36.8%	54.6%	68.3%
Topic selection		6.2%	10.4%	13.0%	6.4%	1.3%	0.0%
Preparation of issues paper		8.8%	14.5%	18.0%	6.8%	3.3%	4.8%
Research		6.7%	9.1%	6.2%	6.8%	5.9%	7.9%
Reading early drafts		26.8%	41.8%	43.5%	29.1%	15.1%	3.2%
Reading or commenting on final draft		37.4%	55.9%	60.9%	37.2%	25.7%	6.3%
Helping to prepare staff or management reports		25.6%	37.7%	46.0%	24.8%	11.2%	11.1%
Reading proofs		1.6%	2.4%	0.6%	2.6%	2.0%	0.0%
Other (please specify)		18.6%	23.6%	26.1%	17.1%	15.8%	12.7%

Slide Number from Presentation		39					
Staff Answering this Question		622	300	162	236	156	66
<b>Section</b>		Evaluation Process					
<b>Title</b>		Used IEO report in your work					
<b>Question</b>		Have you ever used an IEO report in your work?					
<b>Value</b>		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Yes		53.9%	69.7%	68.5%	55.5%	48.1%	25.8%
No		46.1%	30.3%	31.5%	44.5%	51.9%	74.2%

Slide Number from Presentation		40					
Staff Answering this Question		622	299	163	236	155	66
<b>Section</b>		Evaluation Process					
<b>Title</b>		Discussed IEO report with colleagues					
<b>Question</b>		Have you discussed an IEO report with colleagues?					
<b>Value</b>		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Yes		71.7%	88.0%	80.4%	75.8%	65.8%	50.0%
No		28.3%	12.0%	19.6%	24.2%	34.2%	50.0%

Slide Number from Presentation		41					
Staff Answering this Question		622	300	162	236	156	66
<b>Section</b>		Evaluation Process					
<b>Title</b>		Discussed IEO report outside the Fund					
<b>Question</b>		Have you ever discussed an IEO report outside the Fund?					
<b>Value</b>		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Yes		20.9%	30.7%	33.3%	17.4%	17.3%	10.6%
No		79.1%	69.3%	66.7%	82.6%	82.7%	89.4%

Slide Number from Presentation		42					
Staff Answering this Question		128	91	54	40	27	6
<b>Section</b>		Evaluation Process					
<b>Title</b>		Discussion of IEO reports					
<b>Question</b>		With whom outside the IMF have you discussed IEO reports? (Check all that apply)					
<b>Value</b>		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Non-borrowing member government		32.0%	33.0%	44.4%	17.5%	29.6%	16.7%
Borrowing member government		34.4%	39.6%	44.4%	35.0%	14.8%	16.7%
Private Sector		23.4%	23.1%	27.8%	20.0%	22.2%	0.0%
Non-Government Organization		31.3%	39.6%	46.3%	20.0%	22.2%	0.0%
Civil Society		40.6%	41.8%	46.3%	40.0%	33.3%	16.7%
Press		21.1%	25.3%	33.3%	17.5%	7.4%	0.0%
Academia		33.6%	35.2%	40.7%	17.5%	33.3%	66.7%
Other (please specify)		19.5%	18.7%	9.3%	32.5%	18.5%	33.3%

Slide Number from Presentation	43					
Staff Answering this Question	615	297	162	233	155	63
<b>Section</b>	Summary of Overlap between IEO and Other Areas					
<b>Title</b>	on: Overlap between the IEO and other areas					
<b>Question</b>	On a 5-point scale where '5' means 'Significant overlap' and '1' means 'No overlap at all', how much overlap is there between the IEO and the work of the...					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
Policy Development and Review Department	37.9%	46.6%	51.5%	38.2%	32.3%	14.5%
Internal departmental evaluations	19.8%	24.8%	25.2%	21.5%	16.1%	7.9%
Office of Internal Audit	12.0%	12.1%	14.2%	13.3%	5.8%	17.5%

Slide Number from Presentation	44					
Staff Answering this Question	615	298	163	233	155	62
<b>Section</b>	Evaluation Process					
<b>Title</b>	Overlap between the IEO and other areas					
<b>Question</b>	On a 5-point scale where '5' means 'Significant overlap' and '1' means 'No overlap at all', how much overlap is there between the IEO and the work of the...					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Significant overlap	13.5%	20.1%	19.6%	12.9%	11.0%	4.8%
4	24.4%	26.5%	31.9%	25.3%	21.3%	9.7%
3	20.2%	21.8%	19.6%	18.9%	21.3%	24.2%
2	16.4%	16.8%	13.5%	21.0%	15.5%	9.7%
1 No overlap at all	7.5%	8.4%	8.0%	7.3%	8.4%	4.8%
Don't know/NA	18.0%	6.4%	7.4%	14.6%	22.6%	46.8%

Slide Number from Presentation	45					
Staff Answering this Question	616	298	163	233	155	63
<b>Section</b>	Evaluation Process					
<b>Title</b>	Overlap between the IEO and other areas					
<b>Question</b>	On a 5-point scale where '5' means 'Significant overlap' and '1' means 'No overlap at all', how much overlap is there between the IEO and the work of the...					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Significant overlap	4.2%	6.7%	6.7%	3.4%	2.6%	3.2%
4	15.6%	18.1%	18.4%	18.4%	13.5%	4.8%
3	28.1%	29.9%	34.4%	27.9%	24.5%	22.2%
2	18.7%	21.1%	21.5%	18.0%	20.6%	9.5%
1 No overlap at all	7.3%	9.4%	7.4%	6.0%	8.4%	9.5%
Don't know/NA	26.1%	14.8%	11.7%	26.6%	30.3%	50.8%

Slide Number from Presentation	46					
Staff Answering this Question	615	297	162	233	155	63
<b>Section</b>	Evaluation Process					
<b>Title</b>	Overlap between the IEO and other areas					
<b>Question</b>	On a 5-point scale where '5' means 'Significant overlap' and '1' means 'No overlap at all', how much overlap is there between the IEO and the work of the...					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Significant overlap	2.9%	2.4%	1.2%	2.6%	2.6%	9.5%
4	9.1%	9.8%	13.0%	10.7%	3.2%	7.9%
3	15.4%	15.8%	22.2%	13.3%	11.6%	14.3%
2	17.1%	20.5%	20.4%	17.6%	16.8%	7.9%
1 No overlap at all	11.7%	17.2%	13.0%	12.0%	11.0%	9.5%
Don't know/NA	43.7%	34.3%	30.2%	43.8%	54.8%	50.8%

Slide Number from Presentation	47					
Staff Answering this Question	608	296	161	229	156	61
<b>Section</b>	Summary: Value of IEO					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
Enhancing the Fund's overall performance	9.9%	10.1%	11.2%	7.9%	11.5%	9.8%
Enhancing the Fund's external credibility	30.4%	31.1%	33.5%	27.1%	27.6%	42.6%
Promoting an understanding of the Fund v	1.8%	2.0%	1.2%	0.9%	3.2%	3.3%
Supporting the Executive Board's governa	15.8%	12.8%	14.3%	21.0%	12.8%	6.6%
Providing in-depth evaluations	10.2%	12.5%	8.7%	8.3%	15.4%	8.2%
Providing independent evaluations	21.5%	23.6%	20.5%	24.0%	23.7%	9.8%
Provides little value	6.4%	7.8%	8.1%	7.0%	4.5%	4.9%
Don't know	3.9%	0.0%	2.5%	3.9%	1.3%	14.8%

Slide Number from Presentation	48					
Staff Answering this Question	206	103	53	82	52	19

<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	29.1%	29.1%	34.0%	22.0%	34.6%	31.6%
Second Choice	27.2%	22.3%	18.9%	35.4%	21.2%	31.6%
Third Choice	43.7%	48.5%	47.2%	42.7%	44.2%	36.8%

Slide Number from Presentation	49					
Staff Answering this Question	430	221	127	150	111	41
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	43.0%	41.6%	42.5%	41.3%	38.7%	63.4%
Second Choice	33.0%	35.7%	37.0%	27.3%	38.7%	24.4%
Third Choice	24.0%	22.6%	20.5%	31.3%	22.5%	12.2%

Slide Number from Presentation	50					
Staff Answering this Question	88	41	21	29	29	9
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	12.5%	14.6%	9.5%	6.9%	17.2%	22.2%
Second Choice	37.5%	29.3%	23.8%	48.3%	37.9%	33.3%
Third Choice	50.0%	56.1%	66.7%	44.8%	44.8%	44.4%

Slide Number from Presentation	51					
Staff Answering this Question	303	148	82	128	70	22
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	31.7%	25.7%	28.0%	37.5%	28.6%	18.2%
Second Choice	37.6%	41.9%	37.8%	35.9%	37.1%	50.0%
Third Choice	30.7%	32.4%	34.1%	26.6%	34.3%	31.8%

Slide Number from Presentation	52					
Staff Answering this Question	207	105	45	87	62	13
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	30.0%	35.2%	31.1%	21.8%	38.7%	38.5%
Second Choice	39.1%	35.2%	37.8%	48.3%	30.6%	23.1%
Third Choice	30.9%	29.5%	31.1%	29.9%	30.6%	38.5%

Slide Number from Presentation	53					
Staff Answering this Question	338	178	104	123	87	23
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					
<b>Value</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
First Choice	38.8%	39.3%	31.7%	44.7%	42.5%	26.1%
Second Choice	35.2%	36.5%	39.4%	29.3%	34.5%	52.2%
Third Choice	26.0%	24.2%	28.8%	26.0%	23.0%	21.7%

Slide Number from Presentation	54					
Staff Answering this Question	81	40	20	31	19	11
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					

Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice	48.1%	57.5%	65.0%	51.6%	36.8%	27.3%
Second Choice	23.5%	17.5%	15.0%	22.6%	31.6%	27.3%
Third Choice	28.4%	25.0%	20.0%	25.8%	31.6%	45.5%

Slide Number from Presentation	55					
Staff Answering this Question	73	25	16	27	13	16
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Areas in which the IEO provides most value					
<b>Question</b>	Please rank the three areas, in your opinion, in which the IEO provides the most value? (Check only 1 response for each choice)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice	32.9%	0.0%	25.0%	33.3%	15.4%	56.3%
Second Choice	13.7%	20.0%	25.0%	14.8%	7.7%	6.3%
Third Choice	53.4%	80.0%	50.0%	51.9%	76.9%	37.5%

Slide Number from Presentation	56					
Staff Answering this Question	616	299	163	233	155	63
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Usefulness of findings					
<b>Question</b>	On a 5-point scale where '5' means 'Strongly agree' and '1' means 'Strongly disagree' please rate the following two statements:					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Strongly agree	7.0%	9.4%	8.0%	8.2%	4.5%	6.3%
4	31.0%	35.8%	37.4%	30.0%	30.3%	20.6%
3	30.7%	32.8%	31.9%	33.5%	29.7%	20.6%
2	13.5%	12.0%	13.5%	14.6%	15.5%	3.2%
1 Strongly disagree	4.4%	3.7%	5.5%	5.6%	1.9%	1.6%
Don't know/NA	13.5%	6.4%	3.7%	8.2%	18.1%	47.6%

Slide Number from Presentation	57					
Staff Answering this Question	607	294	160	229	154	62
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Usefulness of findings					
<b>Question</b>	On a 5-point scale where '5' means 'Strongly agree' and '1' means 'Strongly disagree' please rate the following two statements:					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Strongly agree	1.8%	2.7%	2.5%	0.9%	1.9%	3.2%
4	14.2%	16.0%	15.6%	15.3%	13.6%	8.1%
3	30.1%	33.7%	36.9%	26.2%	30.5%	27.4%
2	23.9%	25.2%	23.8%	28.4%	22.1%	11.3%
1 Strongly disagree	14.0%	13.9%	15.6%	16.2%	11.0%	9.7%
Don't know/NA	16.0%	8.5%	5.6%	13.1%	20.8%	40.3%

Slide Number from Presentation	58					
Staff Answering this Question	594	291	158	227	150	58
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Read/consulted IEO publications					
<b>Question</b>	Have you read or consulted for your work any of the IEO publication listed below (Check all that apply)?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Evaluation of Prolonged Use of IMF Reso	40.2%	51.5%	51.3%	42.7%	33.3%	17.2%
The IMF and Recent Capital Account Cris	33.0%	47.1%	41.1%	34.4%	29.3%	13.8%
Fiscal Adjustment in IMF-Supported Prog	36.0%	46.4%	46.8%	36.6%	34.0%	8.6%
Evaluation of the IMF's Role in Poverty R	29.0%	37.5%	36.1%	30.4%	24.7%	13.8%
The IMF and Argentina 1991-2001 (2004)	40.1%	52.9%	48.1%	40.5%	38.0%	20.7%
IMF Technical Assistance (2005)	36.0%	44.3%	50.6%	39.2%	24.0%	13.8%
The IMF's Approach to Capital Account Li	29.0%	38.8%	41.8%	26.9%	25.3%	10.3%
Evaluation of IMF Support to Jordan, 1988	9.1%	14.4%	13.9%	7.9%	7.3%	3.4%
None of the above	16.2%	4.5%	7.0%	12.8%	18.0%	50.0%
Other (please specify)	4.9%	6.9%	6.3%	4.8%	4.0%	3.4%

Slide Number from Presentation	59					
Staff Answering this Question	530	249	136	200	138	56
<b>Section</b>	Summary of IEO Report Rating					
<b>Title</b>	Summary Comparison: Rating IEO reports					
<b>Question</b>	On a five-point scale where '5' means 'Excellent' and '1' means 'Poor' how would you rate IEO reports in terms of:					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Topic selection	64.2%	74.9%	71.1%	65.5%	64.7%	40.7%
Independence	53.5%	64.9%	73.3%	51.5%	45.3%	32.1%
Accuracy	48.3%	61.3%	56.8%	49.3%	44.9%	32.1%
Technically sound analysis of problems	46.0%	55.8%	54.8%	45.9%	41.7%	35.2%
Feasibility of recommendations	30.8%	35.5%	33.3%	29.1%	33.8%	22.6%
Overall quality	53.4%	63.5%	63.2%	53.0%	50.0%	39.3%

Slide Number from Presentation		60					
Staff Answering this Question		534	251	135	206	139	54
<b>Section</b>		Impact of IEO Evaluations					
<b>Title</b>		Rating IEO reports					
<b>Question</b>		On a five-point scale where '5' means 'Excellent' and '1' means 'Poor' how would you rate IEO reports in terms of:					
<b>Value</b>		<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Excellent		16.1%	17.9%	17.8%	16.0%	15.1%	14.8%
	4	48.1%	57.0%	53.3%	49.5%	49.6%	25.9%
	3	19.5%	19.5%	18.5%	23.3%	18.7%	9.3%
	2	2.1%	3.2%	4.4%	1.5%	0.7%	1.9%
1 Poor		0.4%	0.0%	0.0%	1.0%	0.0%	0.0%
Don't know/NA		14.0%	2.8%	5.9%	9.2%	15.8%	48.1%

Slide Number from Presentation		61					
Staff Answering this Question		533	251	135	206	139	53
<b>Section</b>		Impact of IEO Evaluations					
<b>Title</b>		Rating IEO reports					
<b>Question</b>		On a five-point scale where '5' means 'Excellent' and '1' means 'Poor' how would you rate IEO reports in terms of:					
<b>Value</b>		<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Excellent		12.8%	15.9%	23.0%	9.2%	10.1%	7.5%
	4	40.7%	49.0%	50.4%	42.2%	35.3%	24.5%
	3	20.6%	19.5%	9.6%	24.3%	26.6%	18.9%
	2	6.0%	7.2%	5.2%	8.7%	5.0%	0.0%
1 Poor		2.6%	2.0%	3.0%	3.4%	1.4%	1.9%
Don't know/NA		17.4%	6.8%	8.9%	12.6%	21.6%	47.2%

Slide Number from Presentation		62					
Staff Answering this Question		526	248	132	203	138	53
<b>Section</b>		Impact of IEO Evaluations					
<b>Title</b>		Rating IEO reports					
<b>Question</b>		On a five-point scale where '5' means 'Excellent' and '1' means 'Poor' how would you rate IEO reports in terms of:					
<b>Value</b>		<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Excellent		6.5%	8.5%	7.6%	4.9%	8.0%	5.7%
	4	41.8%	52.8%	49.2%	44.3%	37.0%	26.4%
	3	22.8%	21.8%	21.2%	28.6%	21.0%	9.4%
	2	5.5%	8.1%	10.6%	5.4%	2.9%	0.0%
1 Poor		0.8%	0.4%	1.5%	1.0%	0.0%	0.0%
Don't know/NA		22.8%	8.9%	9.8%	16.3%	31.2%	58.5%

Slide Number from Presentation		63					
Staff Answering this Question		533	251	135	205	139	54
<b>Section</b>		Impact of IEO Evaluations					
<b>Title</b>		Rating IEO reports					
<b>Question</b>		On a five-point scale where '5' means 'Excellent' and '1' means 'Poor' how would you rate IEO reports in terms of:					
<b>Value</b>		<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Excellent		7.7%	10.8%	8.9%	5.9%	8.6%	9.3%
	4	38.3%	45.0%	45.9%	40.0%	33.1%	25.9%
	3	26.6%	28.3%	28.9%	30.7%	23.0%	14.8%
	2	7.3%	8.0%	8.9%	7.3%	8.6%	0.0%
1 Poor		2.1%	3.2%	2.2%	3.4%	0.7%	0.0%
Don't know/NA		18.2%	5.2%	5.2%	13.2%	25.9%	50.0%

Slide Number from Presentation		64					
Staff Answering this Question		530	248	135	203	139	53
<b>Section</b>		Impact of IEO Evaluations					
<b>Title</b>		Rating IEO reports					
<b>Question</b>		On a five-point scale where '5' means 'Excellent' and '1' means 'Poor' how would you rate IEO reports in terms of:					
<b>Value</b>		<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>	<b>Percentage</b>
5 Excellent		2.8%	4.0%	3.0%	3.0%	2.9%	1.9%
	4	27.9%	31.5%	30.4%	26.1%	30.9%	20.8%
	3	36.8%	42.3%	43.7%	42.4%	28.1%	20.8%
	2	10.6%	12.5%	14.8%	9.9%	10.8%	1.9%
1 Poor		2.6%	2.8%	2.2%	4.4%	1.4%	0.0%
Don't know/NA		19.4%	7.3%	5.9%	14.8%	25.9%	54.7%

Slide Number from Presentation		65					
Staff Answering this Question		530	249	136	200	138	56
<b>Section</b>		Impact of IEO Evaluations					
<b>Title</b>		Rating IEO reports					
<b>Question</b>		On a five-point scale where '5' means 'Excellent' and '1' means 'Poor' how would you rate IEO reports in terms of:					

Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Excellent		6.6%	9.6%	7.4%	5.0%	8.0%	7.1%
	4	46.8%	53.8%	55.9%	48.0%	42.0%	32.1%
	3	26.2%	28.1%	25.0%	30.0%	28.3%	10.7%
	2	3.2%	4.0%	6.6%	3.5%	0.7%	0.0%
1 Poor		0.9%	1.2%	0.0%	1.5%	1.4%	0.0%
Don't know/NA		16.4%	3.6%	5.1%	12.5%	19.6%	50.0%

Slide Number from Presentation	66						
Staff Answering this Question	492	233	125	195	126	46	
<b>Section</b>	Summary of areas for improvement						
<b>Title</b>	which the IEO reports could be most improved						
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)						
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Analysis of the problem		15.2%	16.7%	19.2%	13.8%	15.9%	8.7%
Greater objectivity		8.5%	9.4%	8.0%	9.7%	7.1%	8.7%
More consultation with stakeholders		11.2%	9.0%	8.0%	13.3%	10.3%	13.0%
Writing style		4.1%	6.0%	8.0%	2.1%	4.0%	2.2%
Quality of recommendations		18.7%	24.5%	28.8%	19.0%	11.1%	10.9%
Dissemination to a wider public		7.9%	6.4%	2.4%	8.7%	11.9%	8.7%
Implementation of recommendations by staff		17.1%	20.2%	12.0%	18.5%	21.4%	13.0%
Don't know		17.3%	7.7%	13.6%	14.9%	18.3%	34.8%

Slide Number from Presentation	67						
Staff Answering this Question	181	100	58	74	37	12	
<b>Section</b>	Impact of IEO Evaluations						
<b>Title</b>	which the IEO reports could be most improved						
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)						
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice		41.4%	39.0%	41.4%	36.5%	54.1%	33.3%
Second Choice		29.8%	30.0%	31.0%	37.8%	13.5%	25.0%
Third Choice		28.7%	31.0%	27.6%	25.7%	32.4%	41.7%

Slide Number from Presentation	68						
Staff Answering this Question	121	61	31	52	28	10	
<b>Section</b>	Impact of IEO Evaluations						
<b>Title</b>	which the IEO reports could be most improved						
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)						
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice		34.7%	36.1%	32.3%	36.5%	32.1%	40.0%
Second Choice		33.9%	32.8%	35.5%	32.7%	42.9%	10.0%
Third Choice		31.4%	31.1%	32.3%	30.8%	25.0%	50.0%

Slide Number from Presentation	69						
Staff Answering this Question	151	73	36	70	36	9	
<b>Section</b>	Impact of IEO Evaluations						
<b>Title</b>	which the IEO reports could be most improved						
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)						
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice		36.4%	28.8%	27.8%	37.1%	36.1%	66.7%
Second Choice		34.4%	38.4%	41.7%	37.1%	27.8%	11.1%
Third Choice		29.1%	32.9%	30.6%	25.7%	36.1%	22.2%

Slide Number from Presentation	70						
Staff Answering this Question	66	43	26	15	20	5	
<b>Section</b>	Impact of IEO Evaluations						
<b>Title</b>	which the IEO reports could be most improved						
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)						
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice		30.3%	32.6%	38.5%	26.7%	25.0%	20.0%
Second Choice		31.8%	37.2%	23.1%	33.3%	35.0%	60.0%
Third Choice		37.9%	30.2%	38.5%	40.0%	40.0%	20.0%

Slide Number from Presentation	71						
Staff Answering this Question	205	112	68	82	45	10	
<b>Section</b>	Impact of IEO Evaluations						
<b>Title</b>	which the IEO reports could be most improved						
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)						

Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice	44.9%	50.9%	52.9%	45.1%	31.1%	50.0%
Second Choice	35.6%	31.3%	29.4%	31.7%	53.3%	30.0%
Third Choice	19.5%	17.9%	17.6%	23.2%	15.6%	20.0%

Slide Number from Presentation	72					
Staff Answering this Question	155	74	26	63	50	16
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	which the IEO reports could be most improved					
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice	25.2%	20.3%	11.5%	27.0%	30.0%	25.0%
Second Choice	42.6%	41.9%	34.6%	39.7%	44.0%	62.5%
Third Choice	32.3%	37.8%	53.8%	33.3%	26.0%	12.5%

Slide Number from Presentation	73					
Staff Answering this Question	227	125	44	96	70	17
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	which the IEO reports could be most improved					
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice	37.0%	37.6%	34.1%	37.5%	38.6%	35.3%
Second Choice	33.0%	34.4%	43.2%	33.3%	25.7%	35.3%
Third Choice	30.0%	28.0%	22.7%	29.2%	35.7%	29.4%

Slide Number from Presentation	74					
Staff Answering this Question	149	46	32	55	37	24
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	which the IEO reports could be most improved					
<b>Question</b>	Please rank the three areas in which the IEO reports could be most improved (Please check only 1 response for each choice)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
First Choice	57.0%	39.1%	53.1%	52.7%	62.2%	66.7%
Second Choice	6.7%	8.7%	9.4%	5.5%	8.1%	4.2%
Third Choice	36.2%	52.2%	37.5%	41.8%	29.7%	29.2%

Slide Number from Presentation	75					
Staff Answering this Question	510	272	142	199	127	42
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	Aspects of IEO evaluations most useful to job					
<b>Question</b>	In general, which aspects of IEO evaluations have been most useful for your job? (Check all that apply)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Case studies	44.5%	47.8%	35.9%	48.2%	52.0%	33.3%
Investigation of best practices	40.0%	43.0%	43.0%	40.2%	39.4%	31.0%
Specific operational recommendations	27.8%	30.1%	35.9%	27.6%	22.8%	16.7%
Policy recommendations	39.8%	44.5%	42.3%	40.2%	40.9%	26.2%
Dataset/Aggregation of data	7.1%	5.9%	3.5%	4.0%	12.6%	16.7%
Opportunity for stock-taking/reflection	53.7%	63.6%	62.7%	55.8%	51.2%	21.4%
Other (please specify)	4.9%	4.0%	4.9%	3.5%	3.1%	16.7%

Slide Number from Presentation	76					
Staff Answering this Question	536	271	141	210	137	48
<b>Section</b>	Impact of IEO Evaluations					
<b>Title</b>	What IEO evaluations should provide					
<b>Question</b>	Ideally, what would IEO evaluations provide? (Check all that apply)					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Case studies	48.1%	52.0%	47.5%	49.0%	51.8%	35.4%
Investigation of best practices	65.9%	68.8%	68.8%	66.7%	64.2%	58.3%
Specific operational recommendations	56.5%	62.4%	66.0%	53.3%	56.9%	41.7%
Policy recommendations	60.3%	66.1%	63.1%	61.0%	57.7%	56.3%
Dataset/Aggregation of data	12.9%	12.5%	9.2%	10.0%	16.1%	27.1%
Opportunity for stock-taking/reflection	65.9%	69.0%	68.1%	71.4%	60.6%	50.0%
Other (please specify)	2.6%	3.0%	3.5%	1.0%	3.6%	4.2%

Slide Number from Presentation	77					
Staff Answering this Question	588	289	156	223	150	57
<b>Section</b>	Understanding the IEO and the Fund's work					
<b>Title</b>	Promoting understanding of the Fund's work					
<b>Question</b>	On a five-point scale where '5' means 'Significantly increased understanding' and '1' means 'No change in understanding', how would you rate IEO work in promoting the understanding of the Fund's work?					

Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Inside the Fund	27.5%	31.6%	26.5%	33.3%	24.0%	17.9%
Outside the Fund	20.9%	24.6%	25.0%	17.9%	22.7%	15.8%

Slide Number from Presentation	78					
Staff Answering this Question	585	288	155	222	150	56
Section	Impact of IEO Evaluations					
Title	Promoting understanding of the Fund's work					
Question	On a five-point scale where '5' means 'Significantly increased understanding' and '1' means 'No change in understanding', how would you rate IEO work in promoting the understanding of the Fund's work?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Significantly increased understanding	4.8%	5.9%	2.6%	6.3%	4.0%	7.1%
4	22.7%	25.7%	23.9%	27.0%	20.0%	10.7%
3	31.6%	34.7%	35.5%	32.4%	30.0%	23.2%
2	17.6%	17.7%	18.1%	16.7%	18.7%	16.1%
1 No change in understanding	12.0%	10.1%	14.8%	9.9%	13.3%	8.9%
Don't know/NA	11.3%	5.9%	5.2%	7.7%	14.0%	33.9%

Slide Number from Presentation	79					
Staff Answering this Question	588	289	156	223	150	57
Section	Impact of IEO Evaluations					
Title	Promoting understanding of the Fund's work					
Question	On a five-point scale where '5' means 'Significantly increased understanding' and '1' means 'No change in understanding', how would you rate IEO work in promoting the understanding of the Fund's work?					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Significantly increased understanding	4.4%	6.6%	5.1%	3.1%	5.3%	5.3%
4	16.5%	18.0%	19.9%	14.8%	17.3%	10.5%
3	23.8%	25.3%	26.9%	22.9%	25.3%	15.8%
2	17.2%	20.8%	14.7%	20.6%	18.0%	8.8%
1 No change in understanding	6.5%	5.5%	9.6%	5.8%	3.3%	8.8%
Don't know/NA	31.6%	23.9%	23.7%	32.7%	30.7%	50.9%

Slide Number from Presentation	80					
Staff Answering this Question	563	279	154	215	142	51
Section	Summary of IEO findings					
Title	Effect of IEO findings and recommendations					
Question	On a five-point scale where '5' means 'Major effect' and '1' means 'No effect' to what extent have IEO findings and recommendations altered:					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
The conditions attached by the Fund to future loans	11.7%	15.2%	14.8%	12.4%	10.0%	3.8%
The size of future loans by the Fund	5.2%	5.0%	4.5%	6.0%	5.0%	3.8%
The content of IMF policy advice	16.3%	19.9%	14.9%	15.7%	20.0%	13.5%
The effectiveness of IMF surveillance	15.3%	18.7%	14.9%	15.1%	16.2%	15.4%
The effectiveness of IMF technical assistance	17.1%	21.1%	19.5%	18.6%	12.7%	15.7%

Slide Number from Presentation	81					
Staff Answering this Question	565	282	155	217	140	52
Section	Impact of IEO Evaluations					
Title	Effect of IEO findings and recommendations					
Question	On a five-point scale where '5' means 'Major effect' and '1' means 'No effect' to what extent have IEO findings and recommendations altered:					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Major effect	0.7%	1.4%	0.0%	0.5%	2.1%	0.0%
4	11.0%	13.8%	14.8%	12.0%	7.9%	3.8%
3	22.8%	26.2%	22.6%	23.0%	24.3%	19.2%
2	18.2%	20.6%	23.9%	18.0%	16.4%	7.7%
1 No effect	11.3%	12.4%	14.8%	11.5%	10.7%	0.0%
Don't know/NA	35.9%	25.5%	23.9%	35.0%	38.6%	69.2%

Slide Number from Presentation	82					
Staff Answering this Question	563	281	154	217	139	52
Section	Impact of IEO Evaluations					
Title	Effect of IEO findings and recommendations					
Question	On a five-point scale where '5' means 'Major effect' and '1' means 'No effect' to what extent have IEO findings and recommendations altered:					
Value	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Major effect	0.7%	0.7%	1.3%	0.5%	0.7%	0.0%
4	4.4%	4.3%	3.2%	5.5%	4.3%	3.8%
3	15.8%	18.1%	18.2%	14.7%	16.5%	11.5%
2	19.7%	22.4%	20.1%	20.3%	20.1%	15.4%
1 No effect	19.2%	24.9%	28.6%	19.8%	14.4%	0.0%
Don't know/NA	40.1%	29.5%	28.6%	39.2%	43.9%	69.2%

Slide Number from Presentation	83					
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Staff Answering this Question		564	281	154	217	140	52
Section		Impact of IEO Evaluations					
Title		Effect of IEO findings and recommendations					
Question		On a five-point scale where '5' means 'Major effect' and '1' means 'No effect' to what extent have IEO findings and recommendations altered:					
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Major effect		0.7%	1.1%	0.0%	0.9%	1.4%	0.0%
	4	15.6%	18.9%	14.9%	14.7%	18.6%	13.5%
	3	29.6%	34.9%	38.3%	28.6%	25.7%	17.3%
	2	18.3%	19.6%	20.6%	22.6%	13.6%	5.8%
1 No effect		8.0%	8.5%	11.0%	8.3%	7.1%	0.0%
Don't know/NA		27.8%	17.1%	14.9%	24.9%	33.6%	63.5%

Slide Number from Presentation		84					
Staff Answering this Question		567	283	154	218	142	52
Section		Impact of IEO Evaluations					
Title		Effect of IEO findings and recommendations					
Question		On a five-point scale where '5' means 'Major effect' and '1' means 'No effect' to what extent have IEO findings and recommendations altered:					
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Major effect		0.9%	1.4%	0.0%	1.8%	0.0%	1.9%
	4	14.5%	17.3%	14.9%	13.3%	16.2%	13.5%
	3	25.7%	27.9%	24.7%	31.2%	23.2%	13.5%
	2	20.5%	24.7%	30.5%	15.1%	21.1%	11.5%
1 No effect		9.3%	9.2%	10.4%	11.9%	7.0%	0.0%
Don't know/NA		29.1%	19.4%	19.5%	26.6%	32.4%	59.6%

Slide Number from Presentation		85					
Staff Answering this Question		563	279	154	215	142	51
Section		Impact of IEO Evaluations					
Title		Effect of IEO findings and recommendations					
Question		On a five-point scale where '5' means 'Major effect' and '1' means 'No effect' to what extent have IEO findings and recommendations altered:					
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Major effect		1.4%	2.9%	1.9%	1.9%	0.7%	0.0%
	4	15.6%	18.3%	17.5%	16.7%	12.0%	15.7%
	3	21.5%	23.3%	22.1%	24.7%	19.7%	11.8%
	2	17.2%	20.4%	22.1%	17.2%	12.7%	15.7%
1 No effect		9.2%	10.0%	11.7%	9.3%	9.9%	0.0%
Don't know/NA		35.0%	25.1%	24.7%	30.2%	45.1%	56.9%

Slide Number from Presentation		86					
Staff Answering this Question		579	283	153	222	147	55
Section		Impact of IEO Evaluations					
Title		IEO influence on work					
Question		On a 5-point scale where '5' means 'Significant influence' and '1' means 'No influence' how much has the work of the IEO office influenced your work?					
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Significant influence		1.6%	3.2%	2.0%	1.4%	2.0%	0.0%
	4	11.7%	17.3%	17.6%	11.3%	8.8%	5.5%
	3	27.8%	34.6%	32.7%	31.5%	22.4%	14.5%
	2	27.3%	28.6%	30.1%	28.4%	25.2%	20.0%
1 No influence		24.4%	14.1%	15.7%	23.4%	30.6%	36.4%
Don't know/NA		7.3%	2.1%	2.0%	4.1%	10.9%	23.6%

Slide Number from Presentation		87					
Staff Answering this Question		237	157	79	99	48	11
Section		Impact of IEO Evaluations					
Title		How IEO has affected work					
Question		On a 5-point scale where '5' means 'Significant positive influence' and '1' means 'Significant negative influence', how has the work of the IEO affected your work?					
Value		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
5 Significant positive influence		3.4%	4.5%	2.5%	2.0%	8.3%	0.0%
	4	35.9%	40.1%	43.0%	36.4%	25.0%	27.3%
	3	53.6%	48.4%	46.8%	57.6%	54.2%	63.6%
	2	3.8%	3.8%	5.1%	3.0%	2.1%	9.1%
1 Significant negative influence		0.8%	1.3%	2.5%	0.0%	0.0%	0.0%
Don't know/NA		2.5%	1.9%	0.0%	1.0%	10.4%	0.0%

## APPENDIX VI

### LIST OF INTERVIEWEES

#### **Washington, DC**

#### **IMF**

##### Executive Director's Offices:

GR- Karlheinz Bischofberger  
FF- Pierre Duquesne, Marc Robert  
UA- Jacklin Nancy, Meg Lundsager  
JA- Shigeo Kashiwagi, Toshiyuki Miyoshi  
BE- Willy Kiekens  
BR- Eduardo Loyo  
MD- Abbas Mirakhor  
RU- Aleksei Mozhin, Palei V. Lev  
AE- Peter J. Ngumbullu, Peter Gakunu, Leonia `Moi Lephoto  
AU- Jong Nam Oh, Cyd Amador  
ST- Hooi Eng Phang, Made Sukada  
UK- Andrew Hauser, Rob Gregory  
MI- Shakour Shaalan, Karim Nauphal, Gazi H. Shbikat, Nagwa Riad  
AG- Hector Torres  
CC- Xiaoyi Wang  
SZ- Fritz Zurbrugg

##### Fund Staff and Management:

Office of the Managing Director  
Rodrigo De Rato- MD  
Anne Krueger, FDMD  
Agustin Carstens, DMD  
Takatoshi Kato, DMD

Office of Audit and Inspection  
Alain Coune  
Daniel S. Nelson

Office of Technical Assistance Management  
Claire Luiksila

Independent Evaluation Office  
Thomas A. Bernes  
David John Goldsbrough

Marcelo Selowsky  
Shinji Takagi

African Department  
Benedicte Vibe Christensen  
Sanjeev Gupta  
David C. L. Nellor

Asia and Pacific Department  
David Burton  
Steven Dunaway

European Department  
Michael Deppler  
Jeff Chelsky

Middle East and Central Asia Department  
Mohsin S. Khan

Western Hemisphere Department  
Anoop Singh

Fiscal Affairs Department  
Peter Heller  
Jeffrey Davis

International Capital Markets  
Gerd Häusler

Monetary and Financial Systems Department  
Stefan Ingves  
Ulrich Baumgartner

Policy Development and Review Department  
Mark Le G. Allen  
Russell Kincaid  
Isabelle Mateos y Lago  
John Hicklin  
James M. Boughton

Research Department  
Raghuram Rajan  
David J. Robinson

External Relations Department  
Graham Hacche  
Simonetta Nardin

Former IMF Officials:

Yusuke Horiguchi  
Stanley Fischer  
Claudio Loser  
Shigemitsu Sugisaki  
Yukio Yoshimura

**G4 Secretariat**

Ariel Buira

**World Bank**

Office of the Vice President, International Affairs

Vinay Bhargava

Office of the Indian Executive Director

C.M. Vasudev

**United States Department of the Treasury**

Mark Sobel  
Robert Kaproth  
Andy Baukol  
John Ralyea

**Government of India, Planning Commission**

Montek Singh Alhuwalia

**Media**

Paul Blustein- The Washington Post  
Andrew Balls- The Financial Times

**CSO/Think Tank**

Colin Bradford, Brookings Institution  
Ralph Bryant, Brookings Institution  
Aldo Calieri, Center of Concern  
Tom Callaghy, Pol. Sci. Faculty, UPENN  
Ann Florini, Brookings Institute  
Jo Marie Greisgraber, New Rules for Global Finance

Michael Mussa- Institute for International Economics  
Jeff Powell- Bretton Woods Project  
Rick Rowden, ActionAid International USA  
Carol Welch, US Coordinator, Millennium Campaign

**Consultants**

David Peretz  
Robert Picciotto

**New York**

Federal Reserve Bank of New York

Timothy Geithner  
Terri Checki

Financial Sector

David Lipton

**Argentina**

Academic/ Think Tank

Pablo Guidotti  
Levy Yeyati  
Roque Fernandez  
Ricardo Lopez Murphy

Financial Sector

Daniel Marx  
Mario Vicens

Media

Martin Kanenguiser, La Nacion

**Brazil**

Ministry of Finance

Murilo Portugal  
Joaquim Levy

Financial Sector

Amaury Bier

Think Tank

Alfonso Celso Pastore

Media

Claudia Safatle, Valor Econômico

Cristiano Romero, Valor Econômico

**Denmark**

Danmark Nationalbank

Kai Aaen Hansen

Niels Bartholdy

Ministry of Foreign Affairs of Denmark

Lars Elle, Danida

**France**

Ministère de l'Economie et des Finances

Ambroise Fayolle

Régis Pelissier

Antoine Saintoyant

Banque de France

Bertrand Couillaud

Pierre Jaillet

Alain Laurin

Academic

Daniel Cohen, Ecole Normale Supérieure Paris

**Germany**

Ministry of Finance (BMF)

Franz Neueder

Rüdiger von Kleist

Andreas Lux

Nicola Brandt

Marcus Niemke

Jurgen Zattler

Deutsche Bundesbank (BBk)

Michael Blome

## **Indonesia**

### Government

Sri Mulyani  
Mohammad Ikhsan  
Mahendra Siregar  
Prof. Widjojo Nitisastro

### Bank of Indonesia

Burhannudin Abdullah

### State Audit Agency

Mr. Anwar Nasution

### IMF

Stephen Schwartz

### World Bank

Andrew Steer  
William Wallace

### Media

Arif Budisusilo, Bisnis Indonesia  
Yopie Hidayat, Kontan Magazine

### CSOs/ Think Tanks

Binny Buchori, Prakasa  
Hadi Susastro, CSIS  
Chatib Basri

### Financial Sector

Anton Gunawan, Citibank

### Former Government Officials

Dr. Rizal Ramli  
Dr J Soedradjad Djiwandono

## **Japan**

### Ministry of Finance

Kiyoshi Kodera

**Korea**

Ministry of Finance and Economy  
Won-Dong Cho

Bank of Korea  
Yeung-Kyun Rhee

Academic  
Taeho Bark, Seoul National University  
Hasung Jang, Korea University Business School

IMF  
Kenneth Kang

**Tanzania**

Ministry of Finance  
Gray S. Mgonja

Bank of Tanzania  
Daudi T.S. Ballali  
Peter Noni  
Alemu Aberra

Academic  
Rwekaza S. Mukandala

Think Tank  
Samuel M. Wangwe

CSOs  
Martine Billanou  
Gertrude Mugizi  
Rakesh Rajani

**Uganda**

Ministry of Finance  
C.M. Kassami  
Dameni Kitabire  
Keith Muhakanizi  
L.K. Kiiza

Bank of Uganda

E. Tumusiime Mutebile  
Louis Kasekende  
Michael Atingi-Ego  
David Asiimwe Kihangire

Academic

John Alphonse Okidi  
Marios Obwona  
Fred K. Muhumuza

CSOs

Vincent Edoku

**United Kingdom**

Bank of England

Chris Salmon  
Adrian Penalver  
John Drage  
Mario Blejer

HM Treasury

Stephen Pickford  
Johnathan Ockenden  
Ian Noon

Department for International Development

Gavin McGillivray  
Keith Wood

Media

Martin Wolf- Financial Times

## APPENDIX VII

### EVALUATOR'S BIODATA

**Karin Lissakers** currently serves as chief advisor to George Soros on globalization issues. Before joining Soros, Ms. Lissakers held the post of U.S. Executive Director on the Executive Board of the International Monetary Fund from 1993 to 2001, and was involved in the creation of the Independent Evaluation Office. Ms. Lissakers has extensive policy experience at senior levels in the executive branch of the Federal Government and in the U.S. Congress. She was deputy director of the Policy Planning Staff of the U.S. Department of State, and staff director of the foreign economic policy subcommittee of the U.S. Senate Foreign Relations Committee. Ms. Lissakers lectured on international banking issues at Columbia University's School of International and Public Affairs and became director of the school's international business and banking studies program. Ms. Lissakers was a senior associate with the Carnegie Endowment for International Peace, and worked as a researcher with the Nobel prize-winning economist Gunnar Myrdal, and as a research associate at the Stockholm International Peace Research Institute.

**Ngairé Woods** is Director of the Global Economic Governance Programme and Dean of Graduates at University College, Oxford. Dr. Woods has previously published *The Political Economy of Globalization* (Macmillan, 2000), *Inequality, Globalization and World Politics* (with Andrew Hurrell: Oxford University Press, 1999), *Explaining International Relations since 1945* (Oxford University Press, 1986), and numerous articles on international institutions, globalization, and governance. Since 2002 she has been an Adviser to the UNDP's Human Development Report. Dr. Woods was a member of the Helsinki Process on global governance and of the resource group of the UN Secretary-General's High-Level Commission into Threats, Challenges and Change, and a member of the Commonwealth Secretariat Expert Group on Democracy and Development established in 2002 which reported in 2004.

**Ishrat Husain** served as Governor of the State Bank of Pakistan from 1999 to 2005. In this role, he implemented a major program of restructuring of the State Bank and steered the reforms of the banking sector. Prior to his appointment as State Bank Governor, Dr. Husain served in a number of leadership positions at the World Bank, including as Director for Central Asian Republics, Director for the Poverty and Social Policy Department, and Chief Economist for East Asia and Pacific region. Dr. Husain began his career as a member of the Civil Service of Pakistan and holds a Masters degree in Development Economics from Williams College and a doctorate (Ph.D) in Economics from Boston University. He is a graduate of the Executive Development Program jointly sponsored by Harvard, Stanford and INSEAD.

**Statement by the Managing Director on the External Evaluation of  
the Independent Evaluation Office  
Executive Board Meeting  
April 26, 2006**

1. As I have emphasized in my report on Implementing the Fund's Medium-Term Strategy, we are committed to improving and strengthening the Fund. The IEO has a valuable role to play in this regard, together with all the Fund's other checks and balances, including by strengthening the learning culture and improving the governance of the Fund. The external evaluators report contains a number of useful suggestions on improving the IEO's contributions. However, I would like to respond to a few issues regarding coordination of work programs, evaluation of individual countries, follow-up on the IEO's recommendations, and the IEO's Terms of Reference.

2. The Panel's report raises concerns about the duplication of work programs and the follow-up to IEO recommendations. The Fund work program is determined largely by the IMFC, Board requests, and Fund policy, not simply by management. The IEO may still choose to review topics that either have or are being reviewed by the staff; that is its prerogative. But, there may be some benefit to the IEO better dove-tailing its work program with that of the Fund, and the IEO can also get into issues that are not easily addressed by the staff, including those related to governance.

3. The Panel recommends that the IEO should undertake evaluations of the Fund's performance in individual countries, whether a Fund-supported program is underway or not. This is supported by neither the current nor the proposed Terms of Reference of the IEO. Moreover, based on past experiences, any change to the TOR along these lines is likely to be costly in terms of the effectiveness of Fund assistance to a member country with an ongoing Fund-supported program. Indeed, I believe the IEO would need to have sufficient distance from current operations to be able to make a useful assessment and contribute to enhancing the quality of the Fund surveillance that the IMFC is calling for.

4. On the follow-up to the IEO's recommendations, we note that the Board decides whether to adopt IEO recommendations based on their merit and in the context of the overall direction of the Fund's work. If the Board endorses the IEO's recommendations, they become Fund policy (no different from any other), and management has the responsibility to implement these recommendations. Follow-up and assessment of these policies is undertaken through periodic reviews, as with any other Fund policy.

5. Lastly, in light of the controversies generated by the publication of the Argentine and Indonesian reports, the publication policy for IEO reports needs to be revisited. Accordingly,

the IEO's Terms of Reference needs to be modified to allow the Executive Board to correct factual inaccuracies. In addition, provision needs to be made for a deletions policy (e.g., for market-sensitive information), similar to that for staff reports.

**Staff Response to the External Evaluation of  
the Independent Evaluation Office  
Executive Board Meeting  
April 26, 2006**

1. Some five years after the Independent Evaluation Office (IEO) was established, it is appropriate, as was envisaged then, to consider how the IEO is functioning, what it has achieved, and how it can be improved. The perspective of a disinterested, external panel can be valuable in this regard, and the present report will surely contribute to a lively Board discussion of this important topic. Staff appreciate the Panel's attention to maintaining a high quality IEO staff and improving the quality and effectiveness of IEO reports.

2. Staff comments are centered on three main aspects:<sup>1</sup> (i) the IEO's mandate and relationship to the staff's work program; (ii) follow-up to IEO findings and implementation of its recommendations; and (iii) modalities of IEO operation. The Panel also makes several suggestions related to the internal management of the IEO; as the IEO is independent and accountable to the Board, we refrain from commenting on these, though naturally we welcome suggestions that would further enhance the IEO's, and therefore the Fund's, effectiveness.

**IEO mandate and relationship to staff work program**

3. The IEO was established to complement the review and evaluation work within the Fund. As the Panel rightly states "The Board did not intend the IEO to displace the review function of PDR [Policy Development and Review Department] or external ad hoc panels. Management needs the capacity to conduct reviews of issues it deems important to the institution." We were concerned by the (mis)perception that staff have a tactic of "front-running" the IEO to "marginalize its impact." Not only is this perception factually incorrect (¶1), it is completely at odds with our perspective that the IEO makes a vital contribution to the Fund's learning culture, external credibility, and effectiveness by complementing, rather than substituting, the staff's own efforts.

4. Staff reviews typically originate in requests made by the IMFC, guidance from the Board during the semi-annual discussions of the work program, and Board decisions or Fund

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<sup>1</sup> The attachment to the staff response summarizes some key factual points, made on the Panel's draft report, which have not been taken into account in the final version. Cross references to this attachment are indicated by its associated paragraph (¶) numbers.

policy. Management cannot abrogate its responsibility for conducting mandated, requested, or needed reviews and—since the IEO sets its own work program and timetable, conducting its evaluations independently of Fund management and the Board—cannot delegate such reviews to the IEO.

5. Even if the IEO chooses to examine a topic that has, is, or will be reviewed by the staff, this does not necessarily imply wasteful duplication of effort. Inasmuch as the IEO reaches similar conclusions to the staff, this enhances the external credibility of staff reviews, and if it does not, then the fresh perspective of the IEO is in itself valuable. But the IEO can, does, and should do much more than tramp over the same ground as staff. As the Panel observes rightly, the IEO can examine issues that the staff cannot—internal Fund decision-making, governance issues, and shareholder interventions. Moreover, the IEO may be better positioned to reflect the views of national authorities who could be reluctant to be as candid with staff. Thus, there may be important synergies and complementarities between the work of the staff and the IEO. In our view, it would have been more useful if the Panel had discussed ways in which these complementarities can be best exploited—without, of course, prejudicing the IEO’s independence.

6. Nevertheless, while IEO evaluations bring benefits, these must be weighed against their costs. We therefore concur with the Panel’s recommendation that every IEO report should state clearly *why* the scarce resources of the IEO should be deployed for that evaluation. But we were disappointed that the Panel itself did not do a much more careful cost-benefit analysis of the IEO, rather than just asserting that it is not a costly operation.<sup>2</sup> In particular, the Panel takes no account of the substantial staff costs involved in responding to IEO requests for data, interviews, and documents, reading reports, checking their factual accuracy, and commenting upon them, and preparing staff and management responses. Indeed, the report does not even compare the purely budgetary costs of IEO evaluations relative to staff reviews (¶3).

7. One area where the cost of IEO reports may far exceed the benefits concerns evaluations where the member has an ongoing Fund-supported program. The IEO’s TOR proscribe its interfering with operational activities, including programs.<sup>3</sup> This is for good reasons. First, an evaluation of an ongoing program is likely to be premature as it necessarily cannot take account of outcomes and thereby assess whether program targets were achieved, and such evaluations could enormously complicate program negotiations. Second, such an evaluation might undermine the authorities’ ability to implement agreed policies. However,

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<sup>2</sup> Cost comparisons provided in the report to the total budgets of PDR and RES departments are not relevant (¶2).

<sup>3</sup> Although the Panel believes that the IEO should conduct evaluations regardless of whether there is an ongoing program, its suggested changes to the wording of the IEO’s TOR do not include changing the provision that prohibits the IEO from “interfering with operational activities, including programs, or attempting to micro-manage the institution.”

these concerns do not mean that as a general rule the IEO should not evaluate any country with an ongoing Fund-supported program. Rather the IEO could review after a decent interval a member's previous Fund-supported program, which would be their own ex post assessment, and where such a review would yield beneficial lessons for other members.

8. As the report acknowledges, the Indonesian authorities felt that the IEO report created serious embarrassment for the government, and the political opposition argued that the Indonesian government should not continue its Fund-supported program. This is confirmed by Fund staff, who had to play an active role to contain the damage related to the release of the IEO report (as well as to the subsequent outreach by the IEO in Indonesia). The IEO report on Argentina likewise complicated an already difficult and tense situation, requiring considerable effort by staff to manage. If an IEO evaluation of an ongoing program weakens the member's relationship with the Fund or the ability of the authorities' to implement policies—which both logic and experience suggest that it could—then this would defeat the very purpose of the IEO, which ultimately is to enhance the Fund's effectiveness in providing service to its membership.

#### **Follow-up to IEO reports and implementation of recommendations**

9. The Panel observes that IEO evaluations often contain “a confusing combination of many ‘conclusions’, ‘findings’, and ‘recommendations’”. We agree that this is a problem which, has at times weakened the IEO's messages.

10. We take a somewhat different view from the Panel, however, when it notes that “there is no formal mechanism for the Board to follow up specific recommendations made by the IEO” (page 26). First, not all IEO recommendations are endorsed by the Board. Second, if the Board does adopt a recommendation, it becomes part of Fund policy—no different from any other. Management therefore has the responsibility to ensure that relevant staff implement that policy properly and is accountable to the Board, and ultimately, to the membership for so doing. Periodic staff reviews of Fund policies, such as those on PRSPs, FSAPs, and TA, cover implementation experience, evaluations, and proposals for improvements.<sup>4</sup> It is the responsibility of the Board to ensure that relevant IEO recommendations are implemented, rather than for the IEO itself to monitor the implementation and report back to the Board. Of course, the IEO may choose to re-examine a past evaluation topic, including to assess whether its Board-endorsed recommendations had been effective. But presumably it should do so in the context of its proposed work program so that the appropriate priority between a proposed re-evaluation and other possible evaluation topics may be established.

11. The Panel does not think that the IEO needs to cost its recommendations. Staff, on the other hand, is required by the Board to cost its proposals and to identify savings to finance them. We do not think that the Board can make an informed decision concerning an IEO

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<sup>4</sup> For example, the Board will shortly be discussing a staff review of Ex Post Assessment (EPA) policy, which was itself instituted following the IEO's first evaluation report.

recommendation without knowing its implementation costs. One way would be for the IEO to prepare cost estimates with the help of the Office of Budget and Planning (OBP) as is the case for staff papers. A more efficient alternative would be for the IEO to refrain from making specific recommendations, and instead present findings to the Board, leaving it to Fund management and the Board to identify appropriate solutions.

### **Modalities of IEO Operation**

12. The Panel makes a number of recommendations for improving the operation of the IEO. Here we comment on only a few key recommendations that have implications for the IEO's relations with the rest of the Fund.

13. The Panel recommends that the Board reconsider management's memorandum of April 16, 2002 on IEO access to confidential communications with the Office of the Managing Director. However, the guidance in the memorandum was welcomed and found fully consistent with the IEO's TOR by the Evaluation Committee and the Executive Board in 2002 (EBD/02/66; 4/18/02). Furthermore, the Board adopted the very same guidance for the offices of Executive Directors. We are also not aware of any instances of staff knowingly withholding a pertinent document in their possession requested by the IEO and the envisaged mediation procedures have never been called upon. This guidance therefore does not appear to have restricted IEO access to information.

14. The Panel recommends that the Board and its Evaluation Committee should decide the timing of the Board discussion of an IEO report. Board dates for IEO reports are fixed by the Secretary's Department following the same guidelines that apply to staff reports and subject to the same constraints (e.g., three-week circulation period for policy papers). However, the preparation of IEO reports differs importantly from that of staff reports, in that management has read and approved the final staff report when it is circulated to the Board, which is not the case for IEO reports. Consequently, when the IEO paper is circulated to the Evaluation Committee, staff and management must read and absorb its contents and then prepare staff and management replies. While staff and management responses should be prompt, recommendations often have serious implications for the functioning of the Fund and need to be considered carefully. Further, the Board also needs adequate time to reflect on these replies before the Board meeting. In our view, a more desirable procedure would have the IEO send its reports to SEC for circulation to the Board, which is the practice for staff reports, and for SEC to circulate the report to the Board once management's reply is ready. The Board meeting should take place thereafter with a reasonable time for Directors and capitals to reflect upon both the IEO's and management's views.

15. Finally, although not included in the Panel's report, in our view there are some important procedural issues regarding IEO operations that merit consideration:

- Based on issues that arose in the case of the evaluation of capital account crises, Argentina, Jordan, and multilateral surveillance, a publication policy for IEO reports needs to be established. In our view, the Board or the IEO itself should adopt a publication policy for IEO reports which, like the Fund's transparency policy, sets rules under which factual corrections and deletions may be made.
- Further clarification is needed between staff and the IEO on the procedure for interaction with staff on commenting on their reports. In the past, the IEO has been directly requesting comments on its reports from all departments, which has led to a lot of confusion and inefficient work practices. Instead, the IEO should circulate its reports to Management (or its designated delegate), who will then lead the effort to coordinate comments from all departments and be the central contact between staff and the IEO for a particular project.
- It would be useful for staff to be represented along with the IEO during Board discussions to be able to respond to Director's questions either on Fund operations or on the staff's response to the evaluation report. As regards the summing up, it is the responsibility of the Secretary (SEC) to ensure that the summing up accurately reflects the views of Executive Directors, whether expressed in "Grays" or during the discussion. Directors have the opportunity to review the summing up prior to finalization to check that it is accurate.

### **Factual Comments on the Report on the External Evaluation of the IEO**

This note focuses on aspects of the report that we believe that important facts have been omitted or full context has not been supplied, which could potentially mislead the audience.

1. The report asserts (page 8) “Executive Directors commented on what they saw as a deliberate strategy on the part of PDR to front-run the IEO”. The final report also says, “PDR’s tactic of front-running the IEO seems designed to marginalize the impact of the IEO.” Reviewing past topics considered by the IEO, three evaluations—Prolonged Use of IMF Resources, Fiscal Adjustment in Fund-Supported Programs, and The IMF’s Approach to Capital Account Liberalization—have no obvious immediately preceding Board papers, although all three topics have been studied by staff at some point. Two Board papers on capital account crises were completed quickly after the Asian crisis (EBS/98/202;11/25/98 and SM/01/43; 8/3/01), while the IEO began operations only in mid-2001. As for Argentina, staff began drawing lessons in early 2002 in part based on management initiated task forces. Early reflections were contained in the selected issues paper for Argentina’s 2002 Article IV consultation (SM/02/385;12/17/02), long before the IEO announced its intentions. The final product was issued to the Board in October 2003, while the IEO completed its Argentina evaluation in July 2004. In addition, the Board has long mandated regular policy reviews on various topics, such as PRSPs, FSAPs, TA, and surveillance—topics that the IEO has also taken up. The staff’s Ex Post Assessment of Jordan was required by the policy on Ex Post Assessments, itself a follow-up to the IEO’s Prolonged Use Evaluation. As regards the claim of similarity between the IEO’s and PDR’s work program for 2006, the Director of PDR informed the evaluation team in January 2006 that PDR’s work program beyond April 2006 had not yet been defined, pending completion of the Medium-Term Strategy and further guidance from the Spring 2006 IMFC meeting.

2. Cost comparisons to the total budgets for PDR and RES departments are not relevant (page 7) because these departments have mandates and operational activities that extend well beyond evaluations—including policy development and country review for PDR and multilateral surveillance (WEO) and research for RES. The appropriateness of the budget comparison with OIA is also doubtful given the acknowledged (page 8) absence of overlap with the IEO and clear division of labor.

3. With regard to cost effectiveness of the IEO, what is not said in the report is as important as what is said. For instance, the cumulative IEO budgets for FY2002–05 have totaled about US\$13.8 million, while the total number of evaluations issued to the Board has been 10, implying an average cost per evaluation of almost US\$1.4 million. It would be informative to compare these average costs to the average cost per report for other evaluation offices. Both staff and the IEO have undertaken ex post assessments (EPA) of Jordan, which allows a direct comparison by the external evaluators of value for money. In the Review of EPA (SM/06/115; 3/21/06), staff estimated the total cost of the 32 EPAs prepared by staff at US\$3.8 million or around US\$0.1 million per report. This calculation suggests a potentially large cost difference in the preparation of such reports and could have implications for IEO operations if the EPA function and budget were transferred to the IEO as suggested on page 9.

4. The report's claim of a continuing Fund-supported program with Argentina after the release of the IEO report in July 2004 is not wholly accurate. While the stand-by arrangement with Argentina was only cancelled at the authorities' request in early 2006, no program reviews were completed after March 2004 and the Fund-supported program was off-track. The report also says that Argentina had "a new government coming when the [IEO] report was released." The IEO report on Argentina was circulated to the Board in July 2004; President Kirchner was elected in May 2003.

5. The Panel's recommendation that the Board and its Evaluation Committee should decide the timing of the Board discussion of an IEO report is based solely on the scheduling experience with two cases—Argentina and Jordan—out of ten IEO reports. As regards the IEO report on Argentina, it is our understanding that all parties sought to discuss this important report on the earliest possible date. Any Executive Director could have requested a postponement in the Board date for this discussion had that Director thought it necessary, but none did. Turning to the Board discussion of the IEO report on Jordan, this was not scheduled near a Board recess. It was placed on the Board agenda for the same day as the staff's EPA report on Jordan but as a separate agenda item, following the usual practice of scheduling similar topics on the same day—to tap obvious synergies, typically yielding better discussions and promoting efficiency.

6. The report notes (page 7) that the IEO employs only twelve staff (ten professional staff and two support staff). However, the report does not mention the large number of consultants and contractual support staff hired by the IEO.

7. The report states that technical assistance "was regarded by staff and governments as wasteful and misdirected" (page 15). However, no evidence is offered to support this statement, and it contrasts markedly with the positive assessments of the usefulness and effectiveness of Fund TA, including the findings of the IEO report on TA.

**STATEMENT BY THE INDEPENDENT EVALUATION OFFICE**  
**EXTERNAL EVALUATION OF THE INDEPENDENT EVALUATION OFFICE**  
Executive Board Meeting  
April 26, 2006

1. **The IEO welcomes the report and its recommendations.** It particularly welcomes the confirmation that the IEO is a necessary aspect of the good governance of the IMF, retaining strong support in many quarters; and the conclusion that the office has met most of the expectations raised at the time of its creation. One aim in setting up the office was to ensure as much independence as possible matched by full transparency, both inside and outside the IMF; it is therefore important that the report concludes that the office has established itself as an independent body.
2. **The report identifies some key issues that need to be addressed as the office marks its first five years of operation.** Tackling these issues will require careful efforts by all parties concerned, and especially the office itself, to ensure that the IEO remains a vital part of the governance structure of the IMF. Areas requiring a response from the IEO include the choice of topic, staffing issues, and the approach to outreach and dissemination. In following up on the report, the IEO will attempt to deal with the main issues raised, even when it may not necessarily agree with every detail of the findings and recommendations.
3. **The choice of evaluation topics is critical.** The report makes a number of suggestions. It argues that the IEO should address issues fundamental to how effectively the IMF is fulfilling its mandate, and it encourages the office to be bold in what it chooses and how it evaluates. Certainly, the terms of reference require that broad consultations take place on the work program, and the office will continue to cast its net widely both inside and outside the IMF to help make the judgments on the issues that most warrant evaluation. There is no shortage of valuable suggestions for topics, and the IEO agrees that it will need to be selective on key issues, while not shying away from any area. Evaluations could be expected not only on policy and governance issues, but also individual country cases when warranted on the grounds that they offer important lessons for IMF policies and practices, or help to explain the workings of the IMF to the outside world. The choice of any particular topic needs to be justified. Once topics are chosen, the office agrees that the reports should be thought-provoking, and written clearly and concisely. The evaluation results need to be presented in such a way that they are useful for Executive Board consideration, as well as in reaching a broader audience outside the Fund.
4. **The office needs to attract a high quality staff combining outside experience and perspectives with inside knowledge of the institution.** With such a mix of staff, independent judgments can be well informed and evaluations effective and credible. The office will continue to employ a minority of staff from the IMF, while ensuring that staff with additional skills, and varied perspectives and experiences, are brought in on a fixed term basis or as consultants. The office will continue to seek the highest qualified and available project leaders. It has experimented with contracting eminent peer reviewers at various stages of conducting evaluations, and intends to make this standard practice. The office is conscious

of the need to ensure not only that all staff act independently—and it is gratifying to see the conclusion that they have done so—but also that there is the perception that this is so. The office will continue to pursue best practice to achieve these objectives of independence and perceived independence, but without jeopardizing the ability to attract the best staff, and in this light will examine the specific suggestions made in the report. The best marker of continued success will be the maintenance of a reputation for making independent and credible judgments.

5. **The IEO agrees fully that its whole approach to outreach and internal dissemination needs to be substantively improved.** The terms of reference give weight to outreach, and internal dissemination is vital to the efforts at giving the evaluations impact and contributing to knowledge sharing. While the office has always conducted some limited outreach and dissemination activities, plans to increase activities steadily over the medium-term were put on hold when the IEO budget was not increased as initially envisaged. The office intends to formulate a new outreach and communications strategy this year. The extent of what can be achieved will depend in part on budgetary allocation, particularly when travel and additional events are involved, but some steps could and should be taken in any case. Components of such a strategy would include shorter reports and outreach material; a revamped website; and attempts to strengthen links with external groups and contacts, most importantly in countries where little, if any, contact has so far been made. Greater internal dissemination and discussion involves staff time (as well as the time of Fund staff) and priorities and efficient modalities would need to be established.

6. **Independent evaluation is relatively new at the IMF, and the report reaffirms its importance.** The IEO is committed to pursuing ideas and recommendations both from this report as well as from the professional guidance on best practice it receives from offices in comparable institutions and elsewhere. While cooperation from IMF staff has so far been good, the office would welcome a review of the policy on access to documents and information. Finally, the IEO would suggest that a follow up external evaluation of its activities be conducted within five years.

**SUPPLEMENT TO STATEMENT BY THE INDEPENDENT EVALUATION OFFICE**  
**EXTERNAL EVALUATION OF THE INDEPENDENT EVALUATION OFFICE**  
Executive Board Meeting  
April 26, 2006

1. The management and staff responses to the Report of the External Evaluation of the Independent Evaluation Office make a number of suggestions for the modalities of operation of IEO that have potentially important implications for the independence of the office. These, in IEO's view, would warrant careful consideration. This supplement is being circulated to provide IEO's views on the particular issue of publication policy.
  
2. The staff response states that a publications policy for IEO reports needs to be established. In fact, such a policy already exists. The Terms of Reference of the Director of the Independent Evaluation Office provide that "The Director will adopt, in consultation with the Executive Board, standard rules for the publication of evaluation reports and other documents produced by the IEO." Following consultations with the Board, the then Director approved procedures which were implemented on August 8, 2002. These procedures have been followed since that time. The IEO is not aware of any requests for factual corrections or deletions to IEO reports that have not been considered carefully, and incorporated where warranted.
  
3. Recently, IEO has commenced an internal review of the current procedures. It is our view that they should be updated to reflect evolving best practice with respect to factual corrections and deletions. It is our intention to consult with the Executive Board on such an update. However, the proposal in the Managing Director's statement to modify the IEO's Terms of Reference to allow the Executive Board "to correct factual inaccuracies" would, in IEO's view, not be best practice and would be inconsistent with the independence of the office and its reports.

## **COMMENTS OF MR. MONTEK SINGH AHLUWALIA ON THE REPORT OF THE EXTERNAL EVALUATION OF THE INDEPENDENT EVALUATION OFFICE**

The External Evaluation Group faced a very difficult task and has produced a document which raises all the relevant issues which should help the Board shape the future work of the IEO. While I agree with much of the Report, there are areas where I do not agree with the Group's assessment and my reactions on these points are outlined below (page references indicated).

### **Page 11: Balance Between Insiders and Outsiders**

The Group has rightly pointed out that the balance between insiders and outsiders is critical, but they seem to feel we had too many insiders. I respectfully disagree. The decision to rely upon Fund staff up to the level permitted (i.e., below 50 percent) must be seen in the light of two considerations. First, the IEO needed to establish its credibility within the Fund as much as outside and I felt that a substantial contingent of insiders (although always a minority) would ensure that the evaluations were based on knowledge about how the institution actually works. This was necessary for the evaluation to be fair to Staff, while leaving open the scope for suggesting improved procedures for the future should these be felt to be desirable. Second, recruitment of outside staff for a fixed term to a new institution cannot be achieved quickly and this meant that substantial reliance on Fund staff in the initial years was essential to achieve quick output.

The Report acknowledges that the internal component was bolstered by the use of external consultants. This was in fact a carefully considered strategy of bringing in high quality external consultants with an established reputation, which would ensure objectivity and quality to a much greater extent than relying on one or two more non-Fund staff recruited to the IEO. I recall some members of the Board had expressed reservations on the extent of reliance on consultants that we planned for, but I feel that was the right choice and should, in my view, be continued.

The report says, "While the IEO makes extensive use of outside consultants full time staff play a central role in framing evaluation or finding." It is only appropriate that the full time staff of the IEO should play a central role, especially since "full time staff" in this context presumably refers to full time staff of the IEO, including those recruited from outside. If the Group's reservations relate to the fact that Fund staff were a significant (albeit minority) portion of IEO staff, my explanation of the rationale for that decision is as outlined above.

### **Page 12: Team Leaders**

The Report criticizes the fact that team leaders were drawn from the staff of the IEO. Two of the team leaders, Messrs Takagi and Selowsky, were on the full time staff of the IEO, but they were not from the Fund Staff. Only Mr. David Goldsbrough, Deputy Director, IEO was a team leader and originally from the Fund Staff. I have absolutely no doubt that David came up to the highest standards of objectivity and his Fund staff background in no way reduced the quality or credibility of the reports he authored. Besides, outside consultants had an

important role in moulding key issues addressed in some evaluations (e.g., Prof. Nouriel Roubini on Argentina).

This is not to say that team leaders should always be drawn from the IEO full time staff. It may well be worthwhile in future, as the IEO evolves and its processes or procedures become better established and understood, to have a team leader for an individual evaluation from outside the IEO. However, I feel my decision not to choose team leaders from the outside for the initial reports was the right one.

### **Page 13: Cooperation from Staff**

I was surprised to find the statement that the IMF staff had “not provided relevant documents and on occasion even refused to grant interviews.” My recollection is that Fund Staff were remarkably cooperative and the IEO received all the documents we requested. None of the IEO staff ever mentioned to me that they had difficulties on this score. In fact, in some cases, documents sought were in storage outside Washington, D.C. and were dutifully produced at some inconvenience. Moreover, cooperation went beyond staff and extended to Management. On the matter of Argentina, I personally met with the FDMD to get her views on some critical parts of the negotiation. On reflection, I wish I had responded on this specific matter when the Evaluation Group sent me the draft and asked for comments. The only reason that I did not do so was that I was sure this factual inaccuracy would have been pointed out by IEO staff and hopefully corrected.

### **Page 13/14: Privacy of Communication**

The Report draws attention to the zone of privacy for Management and suggests that this might impede thorough evaluation. This is technically true for any restriction, but I must state for the record that as Director, IEO, I had fully agreed with the Evaluation Committee as well as Management that such minimal privacy is needed, especially from the point of view of member countries. I felt that as long as instructions from Management to Staff were not confidential and fully subject to IEO evaluation, there was merit in preserving privacy for direct communication between Management and country authorities and also for internal discussions within Management. Management would of course be free to share their perception within the IEO, and indeed they did in the Argentina case, but they should be able to claim privilege. I should add that I do not recall these restrictions impeding our evaluations at any stage, and I would not recommend a change in this arrangement at this time.

### **Page 14: Management Influence on IEO Reports**

The Report states that a number of EDs felt that the Management exercises too much influence over the final product. The possibility of such influence was indeed a matter of concern for some EDs, and this led to precise rules being laid down for obtaining Management comments.

I am struck by the due diligence done by the evaluation group in comparing different versions of the draft report on Argentina, but I am constrained to point out that one cannot conclude that there was unwarranted influence simply because the draft was revised, based on comments received from the Staff. As Director, I had always emphasized to the IEO staff that we can only make progress if we start by being as critical as possible, knowing that we can revise our opinion in the light of comments received from staff. These exchanges between IEO staff and Fund staff were essential to achieve fairness and balance. They also helped me, as the Director, to get a sense of both sides of the issue before making an evaluation judgement. One must recognize that draft reports are drafts. I always assumed that as Director IEO I would have the privilege of making a final judgment on contentious matters. The report as approved by the Director was then sent to the Management and no changes made thereafter.

The Evaluation Report has referred to certain modifications in the Argentina Report which had the impact of toning down criticism. The Report does not, however, address the issue of whether the modifications were justified. The Argentina report was in many ways the most sensitive since it dealt with an individual country and to expect that such a report would not be changed from the draft stage is to believe too much in immaculate conception! I have carefully considered this matter and I believe the report in the end was objectively critical on all the right issues. The fact that some revisions were made at the draft stage only shows the full due diligence that was done. I would like to place on record that at no time was I subjected to any pressure from Management to tone down the IEO criticism in this, or any other report.

### **Page 19: Revealing Deeper Truths**

The Group has reported that while the IEO basically got the story right, it has fallen short on “revealing deeper truths about the quality of the Fund’s performance.” They feel that the IEO concentrated too much on process rather than on the substantive issues underlying the process. The Group has also said that too often the IEO reports failed to address the most fundamental question—whether or not the IMF activities have contributed to achieving the institution’s strategic objectives. These are very important criticisms and I would not want to respond too defensively.

I have no doubt, we could have done more to reveal the “deeper truths” referred to, and hopefully as the IEO gains experience, its reports will present such truths. To some extent, however, these truths emerge more clearly from looking at several different reports rather than a reports rather than a single report. We tried to bring out these cross-cutting issues in the Annual Reports of the IEO, but undoubtedly we could have done better.

I would, however, like to point out that the focus on process which the Evaluation Group criticizes was not in itself inappropriate for an evaluation.. Process issues are very important in Fund relations with governments, and failure to observe due process is surely an important, if somewhat elementary, indication of performance. The IEO on several occasions pointed out that Staff failed to follow agreed processes, e.g., it did not always follow

processes designed to avoid repeat use – and these process failures may have contributed to toleration of prolonged use. Personally, I also feel the IEO reports went beyond process on many important issues revealing weaknesses in the analytical approach, i.e., the absence of Plan B in crisis management cases, the failure to anticipate deflationary impacts of fiscal corrections, etc. I agree that these issues could have been explored further, even extending to suggesting more appropriate analytical approaches. However, such initiatives would overlap with the research domain and the IEO was certainly not staffed to pursue them. If the Board feels the IEO should do more in these areas, it should be explicitly included in the mandate for the future, and appropriate resources provided.

I would caution, however, that an evaluator's role is to look at how effectively the institution achieved its objectives given its existing policies. We could expand the IEO mandate and make it operate also as a strategic planning unit, suggesting new policy directions. However, this task is perhaps better performed separately or should ideally be done by PDR building on IEO fundings.

#### **Page 21: Wordiness of Reports**

The Group has pointed out that the IEO reports have too many conclusions, findings and recommendations making it hard to discuss what is vital. They also note that the reports were too long. These are entirely fair criticisms and I agree the reports could have been more pointed and certainly less replete with "Fundese".

#### **Page 25: Scheduling Board Discussion**

The Group feels that Management schedules Board discussion in a way which works against thorough examination. The reference made is to the scheduling of discussions for Argentina. I had left the IEO just after the Argentina report was submitted and I cannot, therefore, comment on the scheduling issue for this report but all earlier reports were fairly quickly discussed. It must also be kept in mind that Argentina was a sensitive case and there were ongoing negotiations regarding debt restructuring which could have been affected by the evaluation. Personally I do not think rescheduling mattered for the core issue of learning longer term lessons from this evaluation. However, it is really for the Board to decide on this matter. In this context, including the way Board discussions of IEO reports are summarized is another area of interest. The current process, whereby Fund staff drafts the summing up, may need to be looked at.

#### **Page 27: Outreach**

The Group has criticized the IEO outreach effort and attributed it to insufficient commitment from IEO leadership, lack of Board support or outright opposition from Area Departments. For myself, I can only say that I was very keen on outreach and we did much more outreach in the earlier years than what the Fund does normally, especially considering that we produced only around three reports per year. I agree we could have done more, but this would have required substantial commitment of resources(both human and budgetary). If the Board feels outreach is inadequate, this is easily remedied by communicating this to the IEO

and providing the desired increase in IEO activities in this area have necessary budgetary support.

The above comments reflect my current views, based largely on recollection without access to records and correspondence on critical issues. I can honestly say, based on long experience in government, that my three years at the IEO were characterized by remarkable freedom from restraint imposed by Management or the Board, certainly much more so than any other evaluation office in any of the other multilateral development institutions. Both the Board and Management deserve full credit for making this possible and I hope they will continue to support IEO in the same way in future.

Montek Singh Ahluwalia



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## **IMF Executive Board Discusses External Evaluation of the Independent Evaluation Office**

On April 26, 2006, the Executive Board of the International Monetary Fund (IMF) discussed an [External Evaluation of the Independent Evaluation Office \(IEO\)](#).

### **Background**

The IEO provides objective and independent evaluation on issues related to the IMF. It operates independently of IMF management and at arm's length from the IMF's Executive Board. The goals of the IEO are to:

- serve as a means to enhance the learning culture within the Fund;
- strengthen the Fund's external credibility;
- promote greater understanding of the work of the Fund throughout its membership; and to
- support the Executive Board's institutional governance and oversight responsibilities.

An external evaluation of the IEO was foreseen in the [terms of reference of the Independent Evaluation Office](#) (IEO). The [purpose of the evaluation](#) was to assess the effectiveness of the IEO and to consider possible improvements to its structure, mandate, operational modalities, or terms of reference.

The independent team of experts reviewing the IEO was led by Karin Lissakers, former U.S. Executive Director to the IMF and currently chief advisor to George Soros on globalization issues; Ishrat Husain, Governor of the Central Bank of Pakistan from 1999–2005; and Ngaire Woods, Director of the Global Economic Governance Program at Oxford University.

### **Executive Board Assessment**

Executive Directors welcomed the opportunity to assess the effectiveness of the IEO's operations since its creation five years ago, based on a concise and frank report prepared by an External Evaluation Panel. They thanked the Panel for its valuable efforts, and agreed with its

main conclusion that the IEO has served the IMF well and has earned strong support for its work across a broad range of stakeholders. They also agreed that the IMF continues to need an independent evaluation office to contribute to the institution's learning culture and facilitate oversight and governance by the Executive Board. In this connection, Directors welcomed the Panel's observation that the individuals it has interviewed inside and outside the Fund are overwhelmingly of the view that the IEO has acted independently. At the same time, Directors noted the weaknesses highlighted in the report, and welcomed its analysis and recommendations for further strengthening the IEO's effectiveness. In particular, Directors concurred that, going forward, a more focused and strategic orientation, together with strong support from the Board and management, will help ensure the IEO's continued usefulness and relevance.

Directors agreed with the Panel that IEO evaluations complement internal reviews by exploiting the IEO's independence in conveying messages. In this context, they generally saw scope for a better sequencing of IEO and internal reviews, which would help reduce the potential for duplication—while recognizing that some overlap is inevitable.

Directors agreed that the choice of topics for IEO evaluations is critical, and that evaluations should focus on the Fund's core activities. Given resource constraints, Directors considered it important that the IEO make a compelling case for the topics selected. They also agreed that the IEO should continue to have maximum freedom in choosing evaluation topics. At the same time, Directors reaffirmed the appropriateness of the current limitation in the IEO's Terms of Reference that the IEO should avoid interfering with operational activities, including programs, or attempting to micro-manage the institution. In this context, most Directors considered that the IEO should continue to evaluate country cases selectively, refraining from evaluations of ongoing Fund-supported programs, but it could review a member's previous Fund-supported program after a reasonable interval. To allow for more in-depth and substantive treatment of the selected topics, a number of Directors also suggested that the IEO consider the option of reducing the number of evaluations undertaken each year. Directors were open to the suggestion to consider sharpening the IEO's terms of reference. Most Directors did not support the Panel's recommendation to transfer the responsibility for conducting ex post assessments from staff to the IEO.

Directors generally supported the recommendations aimed at improving the IEO's effectiveness in fulfilling its mandate, and most considered that their implementation should be carried out within existing budgetary resources. To maintain the high quality of the IEO reports, Directors called for shorter reports, with more focused assessments and recommendations. In this context, most Directors observed that the IEO does not need to prepare cost assessments of its recommendations, unlike proposals in staff papers that are expected to be costed. Such cost assessments can be undertaken later by staff. To enhance the usefulness of IEO evaluations, many Directors emphasized that IEO reports should look beyond process to substance, including judgments on the theoretical foundations and analytical frameworks underlying the Fund's advice.

Directors discussed extensively the feedback process for draft IEO evaluation reports as described in the Panel's report, and its implications for the IEO's independence, both actual and perceived. They agreed that best practice requires the IEO to solicit comments from staff, management, and other players on its draft reports but, at the same time, to exercise its independent judgment and responsibility on whether to take these comments on board. Thus, any changes introduced by the IEO in the feedback process would be expected to be based on the exercise of best judgment by the IEO, rather than constituting evidence of accommodating management or staff sensitivities. In this connection, Directors welcomed the communication sent by the former Director of the IEO stating for the record that at no time was he subjected to any pressure from management to tone down the IEO's criticism in the Argentina report, or any other report. A few Directors suggested that the practices for submitting the IEO's draft reports to management and staff for comment should be reviewed.

With regard to the attribution of responsibility for the missteps leading up to Argentina's currency collapse, Directors noted that the major findings section of the IEO report on Argentina had clearly conveyed a balanced message about the respective responsibility of both the IMF and the Argentine authorities. For this reason, most Directors did not share the Panel's view that the relevant paragraph of the IEO report had focused on misjudgments by the Argentine authorities. Indeed, the assessment of respective responsibility is also consistent with the conclusion reached by the Executive Board at its discussion of the IEO evaluation on Argentina in July 2004. Moreover, Directors recalled clearly that official and public perceptions of the thrust of the IEO's conclusions, both at the time of their publication and subsequently, had been critical of IMF missteps. A few Directors would have welcomed more information to substantiate the Panel's view.

Directors underscored that safeguarding the IEO's independence also requires full access to information for IEO staff. They supported the recommendation to review the existing guidelines for sharing of information with the IEO by management, staff, and Executive Directors. Directors recognized, however, that IEO independence and access to information need to be nurtured by a sense of shared goals and a relationship of mutual trust. In this context, Directors welcomed the former IEO Director's assurance that the IEO had received all requested documents.

While recognizing that IEO reports often contain important findings and lessons that require further careful consideration, Directors stressed the importance of prompt discussion by the Executive Board of IEO evaluations. Some Directors noted that the Board discussion of IEO reports would be better informed if Directors have additional time to consider both the IEO's evaluation report and the statements by the staff and management.

Directors generally welcomed the Panel's suggestions for strengthening follow-up to the IEO's recommendations—including more Board involvement—to enhance the effectiveness of the IEO. They considered that the Panel's call for a more systematic approach for following-up on and monitoring the implementation of IEO recommendations approved by the Board should be further examined, including through greater discussion in the Evaluation Committee and the full Board.

Directors considered that appropriate IEO staffing rules are also an important element in maintaining the independence of the IEO. In this regard, they emphasized the need for a balanced mix of staff composed of insiders and outsiders, and for careful consideration of the rules governing employment of outside IEO staff in the Fund. Directors generally welcomed the recommendation to hire more outside experts to lead some evaluations, within the IEO's budget envelope. They agreed that outside experts can provide a fresh perspective and enhance the credibility of the reports, although peer reviews should not become standard practice.

Directors generally agreed with the Panel's recommendation that the IEO's outreach activities can, and should, be improved and intensified, especially in developing and emerging market economies where greater efforts might be needed to enhance the understanding of the IMF's role. As a first step, some Directors looked forward to the IEO developing an outreach strategy, so that its resource needs in this area can be better assessed. Noting budgetary constraints, however, most Directors suggested that the IEO rely on existing resources, by working more closely with EXR and resident representatives—as well as with the Executive Board where appropriate. These efforts, together with visible management support for the IEO's work, will serve to enhance outreach efforts.

Directors were pleased that the IEO is taking the lead in reviewing its existing publications policy to ensure that it reflects evolving best practice. They agreed that any changes in the IEO's publications policy, including in the handling of corrections, should be consistent with ensuring the independence of the office.

As for next steps, careful consideration will be given to the Panel's recommendations and the Board's views expressed today, and further discussions will be forthcoming among the Evaluation Committee, IEO, staff, and management. Directors also considered it appropriate to conduct another external evaluation of the IEO in five years.

**Public Information Notices (PINs)** form part of the IMF's efforts to promote transparency of the IMF's views and analysis of economic developments and policies. With the consent of the country (or countries) concerned, PINs are issued after Executive Board discussions of Article IV consultations with member countries, of its surveillance of developments at the regional level, of post-program monitoring, and of ex post assessments of member countries with longer-term program engagements. PINs are also issued after Executive Board discussions of general policy matters, unless otherwise decided by the Executive Board in a particular case.