

# IEO

Independent Evaluation Office  
*of the* International Monetary Fund

EVALUATION REPORT

## Self-Evaluation at the IMF

An IEO Assessment

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**BACKGROUND WORK**

*The following Background Papers and Background Document are available on the IEO website at [www.ieo-imf.org](http://www.ieo-imf.org).*

**BACKGROUND PAPERS**

- BP/15/01. Review of Ex Post Assessments of Countries with Longer-Term Program Engagement and of Ex Post Evaluations of Exceptional Access Arrangements
- BP/15/02. Self-Evaluation in IMF Policy and Thematic Reviews
- BP/15/03. Self-Evaluation in the Areas of Technical Assistance and Training

**BACKGROUND DOCUMENT**

1. IEO Survey of IMF Staff

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# Foreword

This report is IEO's first assessment of self-evaluation at the IMF. It examines the outputs and activities conducted at the IMF in order to learn from experience and improve the quality of its work. The report is intended to help strengthen the IMF self-evaluation function and in this way contribute to the effectiveness and transparency of policies and operations. It also provides a baseline for future assessments of this function.

What is self-evaluation, and why is it important? Self-evaluation consists of the examination by IMF staff, Management, and the Executive Board of the institution's activities, programs, and policies in order to assess past performance, learn from experience, and guide future action. In tandem with independent evaluation, self-evaluation can help to improve IMF effectiveness by fostering learning. It can also contribute to the governance and legitimacy of the IMF by establishing a framework for accountability and enhancing transparency.

The report found that considerable self-evaluation takes place at the IMF; that many IMF self-evaluation activities and reports were of high technical quality; and that self-evaluation informed reforms in policies and operations. Yet, there are gaps in coverage, some weaknesses in quality, and shortcomings in the distilling and dissemination of lessons, in part due to the absence of an explicit, conscious, institution-wide approach to this work. Moreover, the evaluation found that decisions taken in 2015 as part of a cost saving exercise risk further weakening the self-evaluation framework.

The report sets forth recommendations to enhance the IMF's approach to self-evaluation as a tool for systematic learning and accountability, as well as institutional effectiveness and transparency. In particular, it proposes that the IMF set out more explicitly what needs to be evaluated and how, who is responsible for these evaluations, and how to follow up. Such an effort should build on existing self-evaluation processes and infrastructure, reinforcing the current integration of evaluation activities in the work of the IMF while also ensuring that self-evaluation reflects strategic priorities. The report also advocates that the IMF conduct self-assessments for every IMF-supported program; this would provide an opportunity for authorities from borrowing countries to express their views on the program and on IMF performance. Finally, the report calls on the IMF to articulate goals and standards for judging success of future policy and operational reforms and to increase efforts to distill and disseminate lessons in ways that highlight their relevance for the work of IMF staff.

It is our hope that this evaluation will raise awareness and promote discussion in the IMF and among its stakeholders about the role of self-evaluation and thereby contribute to enhanced effectiveness and transparency at the IMF.

Moises J. Schwartz  
*Director*  
*Independent Evaluation Office*

### **Self-Evaluation at the IMF: An IEO Assessment**

This report was prepared by an IEO team led by Ruben Lamdany and Louellen Stedman. Hali Edison played a leading role at the design stage. The IEO team included Alisa Abrams, Sanjay Dhar, Andrew Martinez, Chris Monasterski, Tam Nguyen, Roxana Pedraglio, Jérôme Prieur, Charan Singh, and Ling Hui Tan. The report incorporated contributions from David Goldsbrough, Alexander Mountford, and Marcelo Selowsky. The report benefited from comments and suggestions from Mark Allen, Jack Boorman, Joseph Eichenberger, David Goldsbrough, Michael Hammer, John Hicklin, Russell Kincaid, Leslie Lipschitz, Meg Lundsager, David Peretz, Robert Picciotto, Stephen Quick, Ray Rist, Joanne Salop, Marko Škreb, and Onno Wijnholds, as well as from remarks by participants in workshops that took place in Berlin, Santiago de Chile, and Washington, D.C. However, the final judgments are the responsibility of the IEO alone.

The team is grateful to Rachel Weaving, Roxana Pedraglio, and Esha Ray for editorial and production management assistance. Arun Bhatnagar, Annette Canizares, and Amy Gamulo provided administrative assistance. This report was approved by Moises Schwartz.



# Abbreviations

ADB	Asian Development Bank
EBRD	European Bank for Reconstruction and Development
ECG	Evaluation Cooperation Group
ECR	Evaluation Completion Report
EPA	ex post assessment
EPE	ex post evaluation
EvD	Evaluation Department (EBRD)
FAD	Fiscal Affairs Department (IMF)
FSAP	Financial Sector Assessment Program
<i>GFSR</i>	<i>Global Financial Stability Report</i>
GPA	Global Policy Agenda
ICD	Institute for Capacity Development (IMF)
ICRR	Implementation Completion and Results Report (World Bank)
IED	Independent Evaluation Department (ADB)
IEG	Independent Evaluation Group (World Bank)
IEO	Independent Evaluation Office (IMF)
IFAD	International Fund for Agricultural Development
IFI	international financial institution
IMFC	International Monetary and Financial Committee
IOE	Independent Office of Evaluation (IFAD)
LIC	low-income country
LTPE	longer-term program engagement
MCM	Monetary and Capital Markets Department (IMF)
OECD	Organisation for Economic Co-operation and Development
OIA	Office of Internal Audit and Inspection (IMF)
OTM	Office of Technical Assistance Management (IMF)
PIN	Public Information Notice
RTAC	Regional Technical Assistance Center
SBA	Stand-By Arrangement
SPR	Strategy, Policy, and Review Department (IMF)
STA	Statistics Department (IMF)
TA	technical assistance
TAIMS	Technical Assistance Information Management System
TSR	Triennial Surveillance Review
UNDP	United Nations Development Programme
<i>WEO</i>	<i>World Economic Outlook</i>
WHO	World Health Organization

As used in this publication, the term “country” does not in all cases refer to a territorial entity that is a state as understood by international law and practice. As used here, the term also covers some territorial entities that are not states but for which statistical data are maintained on a separate and independent basis.

Some of the documents cited and referenced in this report were not available to the public at the time of publication of this report. Under the current policy on public access to the IMF’s archives, some of these documents will become available 3 or 5 years after their issuance. They may be referenced as EBS/YY/NN and SM/YY/NN, where EBS and SM indicate the series and YY indicates the year of issue. Certain other types of documents may become available 20 years after their issuance. For further information, see [www.imf.org/external/np/arc/eng/archive.htm](http://www.imf.org/external/np/arc/eng/archive.htm).

# Executive Summary

This evaluation assessed the self-evaluation conducted by the IMF to learn from experience and improve the quality and effectiveness of its work. It found that considerable self-evaluation takes place at the IMF; that many IMF self-evaluation activities and reports are of high technical quality; and that self-evaluation informs reforms in policies and operations. Yet, there are gaps in coverage, weaknesses in quality, and shortcomings in the dissemination of lessons, in part because of the absence of an explicit, conscious, institution-wide approach to this work. Further, decisions taken in April 2015 as part of a cost-cutting exercise risk further weakening self-evaluation.

The IMF does not have an institution-wide framework or overall policy to establish what needs to be evaluated and how, who is responsible, and how to follow up. This may explain how recent decisions to reduce self-evaluation activities were taken without serious consideration of their impact on learning and accountability. Therefore, the IEO recommends that the IMF adopt an overall policy for self-evaluation, setting its goals, scope, key outputs, expected utilization, and follow up. Such policy should be general to allow practices to evolve with the operational environment.

Assessments of programs for countries with longer-term program engagement (EPAs) and exceptional access programs (EPEs) mostly fulfilled their roles of taking stock of IMF-supported programs and generating country-specific lessons. These lessons were often incorporated in

subsequent programs. However, there was no requirement to evaluate other types of programs. This gap may now widen, following a decision to discontinue EPAs. The IEO recommends that the IMF should conduct self-assessments for every IMF-supported program. The scope and format of these assessments could vary across programs, but all of them should include the views of the authorities of the borrowing country.

Self-evaluation of policies and other institution-wide issues was an element of many reviews aimed at policy development. However, the evaluative analysis of Staff practices and institutional performance was often overshadowed by the discussion of proposed reforms.

The IEO recommends that each policy and thematic review explicitly set out a plan for how the policies and operations it covers will be self-evaluated going forward. Management should also ensure continued self-evaluation of policies and practices—even if policy reviews become less frequent—to promote ongoing learning and improvement and to help signal when broader policy reviews may be needed.

Self-evaluation activities were weak in distilling lessons on Staff practices and more generally in disseminating lessons in a way that promotes learning. To address these concerns, Management should develop products and activities aimed at distilling and disseminating evaluative findings and lessons in ways that highlight their relevance for Staff work and that facilitate learning.

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# Introduction

1. This evaluation is a first effort by the IEO to assess self-evaluation in the IMF. Evaluation consists of the systematic examination of activities, programs, and policies in order to assess past performance, learn from experience, and guide future action. Self-evaluation comprises the evaluation activities and outputs undertaken by Staff, Management, and the Executive Board (“the Board”). These activities and outputs range from informal team discussions following the conclusion of a surveillance or program mission, to mechanisms for tracking the effectiveness of activities, to formal reports reviewing the policies or practices that serve as the basis for Board decision making. Self-evaluation examines evidence from experience to assess compliance with organizational policies, analyzes how well policies and practices are executed, and considers whether they are advancing organizational objectives.

## Why Is Self-Evaluation Important?

2. A robust evaluation function promotes the acquisition of knowledge drawn from past experience, encourages the design of policies and activities with clear and monitorable goals, and fosters a stronger learning culture. Evaluation contributes to the governance of public institutions and improves organizational effectiveness by fostering organizational learning and establishing a framework for accountability.<sup>1</sup> Learning and accountability are mutually reinforcing: lessons set standards for accountability, and accountability motivates learning. Evaluation also serves to enhance transparency about the decisions and effectiveness of public sector organizations, and thus can contribute to their legitimacy.

<sup>1</sup>In public organizations, evaluation should provide an impetus for adopting better practices—an impetus that market forces provide for private enterprises.

3. Like most other international financial institutions (IFIs), the IMF has two types of evaluation: self-evaluation and independent evaluation. Both contribute to learning and accountability, but they have different relative strengths. Because self-evaluation is conducted within the IMF Management structure, it benefits from ready access to information and expertise; because lessons are generated by Staff they contribute more directly to learning and can have a more timely impact on policies and practices (Picciotto, 2013). Independent evaluation, which in the IMF is conducted by the IEO, is shielded from internal dynamics and established approaches and therefore is seen as a more credible accountability tool. In addition, both types of evaluation can contribute to institutional transparency. **Box 1** further discusses the respective roles and complementarities of self- and independent evaluation.

## What Are the Main Characteristics of an Effective Self-Evaluation Function?

4. To be effective, a self-evaluation function needs to be supported by certain interrelated policy, organizational, and cultural characteristics. First, an organization should have policies or guiding principles that define what needs to be evaluated, by whom and how, and how evaluation results should be disseminated and used to enhance effectiveness and strengthen accountability.<sup>2</sup> Second, systems should be in place for gathering, monitoring, and disseminating evaluative evidence; and time and resources should be made available for analyzing and reflecting on experience.<sup>3</sup>

<sup>2</sup>For further details on recommended elements of evaluation policies at IFIs, see “Good Practice Standards on Evaluation” in ECG (2012); OECD (1991); and United Nations (2015).

<sup>3</sup>According to Morra Imas and Rist (2009), to be successful every monitoring and evaluation system needs ownership, management, maintenance, and credibility.

### Box 1. Self-Evaluation and Independent Evaluation: Respective Roles and Complementarities

Self-evaluation is conducted by staff or consultants under the same management structure that established the policies and implemented the programs being evaluated. It assesses compliance with organizational policies, the effectiveness of policies and practices, and it considers how to improve them. It can include real-time as well as ex post examination of experiences. Because the resources devoted to self-evaluation in IFIs are typically larger than those devoted to independent evaluation, self-evaluation can cover a larger share of activities. By its nature, self-evaluation entails greater organizational ownership of conclusions—which facilitates learning and the implementation of recommendations—and thus has a comparative advantage in facilitating learning. Information gathered through self-evaluation can provide building blocks for independent evaluation.

Independent evaluation is conducted by units or individuals that do not report to the management structure but rather to a board or another oversight body. Independent evaluation is intended to provide an objective perspective and frank assessment without being limited by internal dynamics. It is well positioned to ask not only whether an organization is “doing things right” but also whether it is “doing the right things.” Independent evaluation challenges preconceptions and interests embedded

in self-evaluation. It can validate or provide counterweights to conclusions reached through self-evaluation. Therefore, independent evaluation is generally viewed as a more reliable accountability tool. At the IMF, independent evaluation is conducted by the IEO, which operates independently from IMF Management and at arm’s length from the Executive Board. IEO’s mission is to enhance the organization’s learning culture, strengthen the IMF’s external credibility, and support the Board’s institutional governance and oversight responsibilities (Lamdany and Edison, 2012).

Both self- and independent evaluation functions can play important roles in enabling institutional learning, in providing a framework for accountability, and in enhancing transparency. They can complement and strengthen each other if their respective roles are well understood, incentives are structured appropriately, and the organization has a culture geared to learning and transparency.

In most other IFIs, another important role for independent evaluation is to provide periodic assessments of the self-evaluation system, by examining self-evaluation processes, the quality of analyses, and the follow-up in terms of learning and implementation. This evaluation is the first such assessment undertaken by the IEO.

Third, learning is facilitated by self-evaluation that is conducted consciously and explicitly, with clearly articulated lessons. Finally, as a means for improvement, the organization should encourage candor and openness about performance. These characteristics are critical for self-evaluation to foster organizational learning.

5. Most IFIs have an evaluation policy that sets out, to different degrees of detail, the types of activities and outputs that need to be evaluated. Often, these evaluation policies explain the purpose and value of self-evaluation within the organization. Generally, they set standards and assign responsibilities for carrying out and following up on evaluations. Some policies also specify mechanisms for disseminating and disclosing evaluation results. While some policies are very detailed, others are more principles-based. In most IFIs, it has been common practice to subject all lending operations and technical assistance to self-evaluation, but the scope and depth of these evaluations have varied widely. IFIs also vary widely in their practices for

self-evaluation of operational policies and strategies. Key elements of IFI evaluation policies and practices are discussed in more detail in [Annex 1](#).

### How Did the IEO Assess Self-Evaluation in the IMF?

6. This evaluation examines the overall approach to self-evaluation in the IMF and the extent to which self-evaluation contributed to systematic learning and accountability and to institutional effectiveness and transparency. It covers the work of all operational units during the period since 2006.<sup>4</sup> In examining the overall

<sup>4</sup>It does not examine self-evaluation of administrative functions, such as human resources management, budget activities, and audit functions, which may be the focus of a future evaluation. Thus, this evaluation did not cover the Human Resources Department, Office of Budget and Planning, Technology and General Services Department, and Office of Internal Audit and Inspection (OIA), although their

approach to self-evaluation, the evaluation considered whether the IMF had an institution-wide framework or policy setting out the scope and methods of self-evaluation, and it explored the extent to which self-evaluation covered the core functions of the IMF (i.e., lending, surveillance, and capacity development).

7. The evaluation examined the relevance, quality, and utilization of activities and outputs that contributed to self-evaluation. It assessed relevance by gauging the extent to which self-evaluation focused on policies, strategies, activities, and outputs that affect a large share of the membership or that have a very significant impact on some members. To assess quality, the evaluation examined the documentation of performance, distillation of lessons, and the willingness and ability of Management and Staff to be candid about the activity being assessed and the lessons to be learned. To assess utilization, the evaluation explored the mechanisms in place to disseminate lessons and the extent to which

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work ultimately affects the effectiveness of IMF operations in regard to member countries. In particular, it does not cover OIA audits, almost all of which focus on internal processes, and which are subject to separate external quality assessments—the most recent of which was transmitted to the Executive Board in 2013. Also, since FY2013, the IMF has had an important monitoring and evaluation tool focused on administrative issues, the “Accountability Framework.” This tool establishes a process for setting institutional goals, provides for monitoring of key administrative indicators (e.g., related to budget, work-life balance, and space utilization), and allows for prioritization and Management oversight of departmental objectives.

these lessons were subsequently used to inform operational practices or policies.

8. Evaluation evidence was gathered through document reviews; a survey of IMF staff; interviews of IMF staff and Executive Directors; and consultations with evaluation experts, officials from member countries, and former senior IMF staff through interviews, workshops, and seminars. To develop a basis for comparison, the evaluation team examined self-evaluation frameworks at other IFIs. Detailed evaluation questions and a discussion of evaluation methods, as well as sources of evidence, are provided in [Annex 2](#).

9. The remainder of this report is structured as follows. [Chapter 2](#) examines the overall approach to and mechanisms for self-evaluation at the IMF. [Chapter 3](#) assesses self-evaluation of IMF-supported programs. [Chapter 4](#) assesses self-evaluation undertaken in reports that the IMF staff prepares for Board review of policies and institution-wide issues. [Chapter 5](#) appraises self-evaluation of capacity building activities. [Chapter 6](#) considers self-evaluation by the Executive Board. [Chapter 7](#) discusses conclusions and recommendations, while [Table 3](#) presents high-level recommendations for Board consideration. Five annexes discuss, respectively: self-evaluation at other international organizations; the evaluation methods and sources of evidence; the abstracts of three Background Papers; informal self-evaluation activities at the IMF; and relevant findings from past IEO evaluations.

## Self-Evaluation at the IMF: Overall Approach

10. This chapter examines the IMF’s overall approach to self-evaluation. It describes the different elements of self-evaluation, including the policies, guidelines, products, activities, and processes, in place over the evaluation period. It explores the extent to which these elements constituted an appropriate framework to ensure that self-evaluation contributed adequately to IMF operational effectiveness and legitimacy by enhancing learning and accountability, and it identifies strengths and weaknesses in the IMF’s approach.

### The Overall Approach

11. The IMF has engaged in different types of self-evaluation at the team, departmental, and institution-wide levels over time.<sup>5</sup> Nonetheless, it does not have an explicit, institution-wide self-evaluation framework or an overall self-evaluation policy, nor a unit in charge of this function.<sup>6</sup> Rather, specific policies, practices, and self-evaluation activities have evolved organically as the IMF saw the need to review or change certain policies or activities or in response to concerns raised about its performance.

12. Starting in 2002, the Board mandated self-evaluation of certain *IMF lending operations*. It established a

requirement for ex post evaluations (EPEs) of programs supported by exceptionally large access to IMF resources; and in 2003, in line with an IEO recommendation (IEO, 2002), it added a requirement for ex post assessments (EPAs) at the conclusion of programs for member countries with prolonged use of IMF resources. From the inception of these requirements through end-2014, the IMF conducted more than 60 EPAs and 21 EPEs—covering about half of all IMF programs approved between 1999 and 2012 and completed by end-2013. Following a Board decision in April 2015, EPAs were scheduled to be discontinued in 2016; no change was made at that time to the EPE requirement. [Chapter 3](#) examines the quality and utilization of EPAs and EPEs.

13. Self-evaluation of *policy and other institution-wide issues* was conducted as an input or as a by-product of reviews that served as vehicles for developing or modifying IMF policies, strategies, and operations.<sup>7</sup> The evaluative content of policy and other thematic reviews is examined in [Chapter 4](#).

14. Evaluation of *capacity development activities* has taken different forms. During 2003–10, the Technical Assistance (TA) Evaluation Program served to inform the Board about the effectiveness and impact of IMF TA. The TA Information Management System instituted in 2005 provides TA departments with the tools to monitor and manage TA and external training. The IMF also carried out evaluations of TA and training activities; many of these exercises are driven by the requirements of the external partners that co-financed these activities. [Chapter 5](#) examines self-evaluation of capacity building.

<sup>5</sup>In 2000, an Evaluation Group of Executive Directors charged with monitoring the evaluation function prepared a report on experience with evaluation at the IMF. It also discussed the potential role and need for an independent evaluation office at the IMF to complement self-evaluation (IMF, 2000).

<sup>6</sup>The Strategy, Policy, and Review Department (SPR) coordinates the preparation of many policy and other thematic reviews that focus on strategy and policy development, rather than evaluation. SPR is also responsible for the “review process,” a highly structured peer review within and across departments to which all Staff reports are subject. This process is intended to ensure consistency and adherence to policies and norms, as well as to provide quality assurance at entry. But it does not constitute self-evaluation, since its purpose is to check work prospectively rather than to assess products or outcomes retrospectively to determine effectiveness, assess performance, and promote learning.

<sup>7</sup>In interviews for this evaluation it became clear that some Staff and Executive Directors characterized policy and thematic reviews as self-evaluation products (as was the case in IMF, 2000). As discussed in [Chapter 4](#), this evaluation differentiates between forward-looking tools aimed at policy development, and backward-looking self-evaluation that aims at learning from past experience.



15. As in most organizations, a great deal of *informal self-evaluation* takes place in the IMF. This report defines as informal those self-evaluation activities and outputs that were not mandated by or submitted to the Board. These activities were diverse and widespread, ranging from interdepartmental working group discussions to debriefing meetings at the end of a mission. Staff reported that these activities contributed to learning and helped to improve work practices. [Annex 4](#) provides more detail on these activities.

16. With regard to the overall accomplishments of the IMF, twice a year since 2012, the Managing Director has prepared and submitted to the International Monetary and Financial Committee a Global Policy Agenda (GPA). The GPA includes a list of indicators and ratings that assess the institution's progress in advancing its overall objectives.

17. Self-evaluative activities and products varied in their goals as well as in the nature of lessons and their dissemination. Some products (e.g., EPAs and EPEs) were prepared with the explicit and primary intent of self-evaluation, while others included self-evaluation as one aspect or as a building block of a broader exercise (e.g., policy reviews). Some self-evaluations aimed at providing inputs for formal Board reviews of policy, while others examined the behaviors and practices of Staff and how to improve their performance. Most self-evaluative lessons pertained to IMF policy or operational considerations such as the design of lending facilities and programs; fewer applied to Staff roles and practices. The analysis and lessons from EPAs and EPEs and those included in policy and other thematic reviews were made available to member country authorities and in most cases disclosed to the general public. Guidance notes were used in some cases to disseminate changes in policy and operational practices to IMF staff.

## Strengths and Weaknesses of the Overall Approach

18. Unlike other IFIs, the IMF does not have an explicit institution-wide self-evaluation framework or overall policy to establish what needs to be evaluated and how, who is responsible, and how to follow up. Instead, its overall approach consists of a collection of self-evaluation guidelines, policies, tools, and activities that cover to varying degrees the core areas of IMF work. Although this approach facilitates the integration of self-evaluation lessons into policy development and other decision-making processes, it does not reflect

systematic strategic considerations about where to focus evaluation efforts.

19. The absence of an explicit institution-wide framework, as embodied in a self-evaluation policy, leaves the organization exposed to missing important lessons and vulnerabilities, and to a perception among some external stakeholders and Staff that the IMF does not value self-evaluation as a key learning tool.<sup>8</sup> It also leaves the self-evaluation function vulnerable to budget pressures and competing priorities that could potentially reduce its role and constrain its ability to raise sensitive policy and implementation issues.

20. The current approach does not provide a cohesive and comprehensive framework for self-evaluation. Indeed this evaluation found gaps in coverage and missed opportunities for Staff learning, and to enhance transparency and accountability. Among these:

- About half of IMF-supported programs were not subject to self-evaluation. While conditions for IMF support and program design across countries were examined in periodic conditionality reviews and in some ad hoc reviews of clusters of programs, the gap in coverage of individual programs has implications for both learning and accountability.
- There was no institutional requirement for self-evaluation of individual Article IV consultations (i.e., bilateral surveillance), either to assess the substance of IMF advice or the practices of Staff, although these elements were collectively examined as part of the preparation of the Triennial Surveillance Review (TSR). Since 2004, each Article IV Staff report was required to include a “brief assessment of the authorities’ response to key policy recommendations made in previous consultations” (and following the 2014 TSR, Staff is also required to report on changes in the IMF’s advice). However, the 2011 TSR and 2014 TSR found that only about half did so.
- Similarly, the IMF had no institutional requirement for self-evaluation of multilateral surveillance, although multilateral surveillance was assessed in the 2011 and 2014 TSRs. Also, the IMF commissioned

<sup>8</sup>In the IEO survey and interviews for this evaluation, IMF staff expressed skepticism about the priority given to self-evaluation and concern about the career impact of participating in EPA/EPE teams. For instance, 35 percent of respondents felt that supervisors focused on the work ahead without considering past successes and failures and only half of respondents who had not participated in EPA or EPE teams in the past were interested in doing so in the future.

periodic assessments of the accuracy of *World Economic Outlook* forecasts by external experts (see IEO, 2014a).

- Self-evaluation of policies and institution-wide operational issues was conducted as an input for, or as a by-product of, periodic policy and other thematic reviews. Thus, the analysis focused, appropriately, on the issues identified in advance for review and reform. As the primary focus of these reviews was on forward-looking policy development or reform, this arrangement resulted in more limited examination of issues not at the center of the reform agenda. Further, an April 2015 Board decision to consolidate some reviews and conduct most policy reviews on an “as-needed” basis, rather than on a set periodic schedule, reduced the opportunities for self-evaluation

that would take place as part of these reviews. This decision was taken with little, if any, consideration of the impact on self-evaluation or on learning and accountability.

- Communication of lessons in a way that promoted learning and improvement by Staff was found to be weak across self-evaluation products and activities. While EPAs and EPEs were widely available, little effort was made to extract lessons across them on a regular basis in order to inform future Staff work.
- There was no champion for self-evaluation at the IMF. No unit or senior manager or expert was charged with the responsibility to bring greater visibility to this function and build Staff capacity by sharing knowledge on evaluation methods and standards.

## Self-Evaluation of IMF-Supported Programs

21. This section examines the self-evaluation activities and products in place at the IMF over the past decade to assess the successes and shortcomings of lending arrangements, namely ex post assessments (EPAs) conducted at the conclusion of a program in countries with prolonged use of IMF resources, and ex post evaluations (EPEs), conducted following programs supported by exceptionally large access to IMF resources.<sup>9</sup>

22. EPEs were introduced in 2002 to assess whether exceptional access programs were consistent with IMF policy and to review their performance.<sup>10</sup> EPAs were initiated in 2003 to provide an opportunity for the IMF to step back from longer-term program engagement (LTPE) to analyze the economic problems facing a country, to provide a critical and frank review of progress during the period of IMF-supported programs, to conduct a forward-looking assessment that took into account lessons learned and presented a strategy for future IMF engagement, and where appropriate to present an explicit “exit strategy.”<sup>11</sup> EPEs and EPAs were undertaken by interdepartmental teams led by someone from outside the area department responsible for the program.

23. Self-evaluation of programs is important to learning and accountability in the IMF. By drawing lessons from past programs, such evaluations can help improve subsequent operations in the respective member

country or other member countries facing similar challenges. Additionally, evaluating individual programs is a key mechanism for the IMF to discharge its fiduciary responsibility to account to members for the use of their resources, by examining program design and assessing program success and IMF performance.<sup>12</sup> EPAs and EPEs typically included a statement from the authorities describing their views on the program and in some cases on IMF performance.

24. This evaluation finds that EPAs and EPEs have mostly fulfilled their learning and accountability roles. These assessments often distilled relevant lessons for IMF engagement in the countries concerned, and many of these lessons were taken into account in the design of follow-up operations. Assessments also offered a vehicle for authorities to share their own views on the program and the IMF’s work. However, the quality of lessons for improving future operations varied widely, and the assessments were less successful at identifying lessons with relevance across countries and for the institution as a whole.

25. In April 2015, as noted above, the IMF decided to discontinue EPAs and to shift the discussion of relevant LTPE lessons to the Staff report that would be prepared in the event of a subsequent program request. This decision was taken as part of a budget streamlining exercise, and not as part of a strategic review of the evaluation function or an in-depth assessment of EPAs. The implications of this decision are discussed at the end of this chapter and in [Chapter 7](#). The following discussion examines the experience with EPAs and EPEs in order to provide useful input for designing mechanisms for the self-evaluation of programs going

<sup>9</sup>This section draws on Goldsbrough (2015), which assesses the coverage, quality, and lessons in EPAs, EPEs, and Joint EPAs/EPEs completed between August 2005 and December 2013.

<sup>10</sup>IMF (2003a). In 2002, the Board established EPEs for exceptional access programs in the context of capital account crises; this requirement was expanded in 2003 to cover all exceptional access programs, including high-access precautionary programs (excluding the Flexible Credit Line). For operational guidance, see IMF (2005) and IMF (2010b).

<sup>11</sup>IMF (2003b). According to the definition agreed in 2006, a country is determined to have LTPE if it has spent at least seven of the last ten years under IMF-supported programs (concessional or nonconcessional) excluding time spent under undrawn precautionary arrangements. For operational guidance see IMF (2003c) and IMF (2010a).

<sup>12</sup>To discharge its fiduciary responsibilities, the IMF also undertakes safeguards assessments of central bank governance and control frameworks for countries engaging in borrowing arrangements with the IMF and post-program monitoring of programs with large resources outstanding to provide early warning of policies that could jeopardize the country’s external viability and its capacity to repay the IMF.

**Table 1. Self-Evaluation of IMF-Supported Programs<sup>1</sup>***(In percent)*

Type of Assessment	Share of Program Arrangements Covered	Share of Resource Commitments Covered
EPA	39	3
EPE	10	53
Joint EPA/EPE	3	19
Total	52	75

<sup>1</sup>For arrangements approved in 1999–2012 and expired by end-2013 for which an assessment was completed by end-2014. For EPAs, from 2006 onward, figures exclude precautionary programs unless drawn. Approved arrangements exclude the Flexible Credit Line.

forward, including informing the design of the instrument that will replace EPAs.

### EPA/EPE Coverage

26. As of end-2014, the IMF had undertaken self-evaluation assessments for about half of all programs approved between 1999 and 2012 (see [Table 1](#)).<sup>13</sup> Seventy-five percent of the volume of IMF resources committed over this period was covered by an assessment. With the drop in the number of member countries with LTPE over the period, EPAs played a decreasing role in the share of programs and commitments assessed. On the other hand, the increase in exceptional access programs during the financial and economic crisis led to a larger share of IMF commitments being covered by an EPE assessment.

27. This coverage seems appropriate from a systemic risk perspective, since scrutiny was focused on larger programs and on programs in member countries with LTPE, where the IMF was likely to have the greatest impact due to its continued presence. But there was no self-evaluation of programs within normal lending limits in support of countries that were not engaged with the IMF on a long-term basis.<sup>14</sup> This gap in coverage had implications for transparency and accountability

<sup>13</sup>This includes assessments completed by end-2014 for programs approved during 1999–2012 and expired by end-2013. The review period was set beginning in 1999 in order to capture programs for which EPAs were undertaken once the EPA requirement was initiated in 2003. A list of countries for which assessments have been carried out can be found in Goldsbrough (2015), [Annex 2](#).

<sup>14</sup>Civil society organizations and other stakeholders interviewed for this evaluation indicated that the IMF has a fiduciary duty to examine and report on the results, quality of design, and implementation of all the programs it finances, as is the case with most other IFIs. The concern about partial coverage of programs is exacerbated by the fact that at the IMF there is no other mechanism for assessing completed programs, whereas at other IFIs at least a sample of lending operations undergoes independent evaluation.

and for the IMF's ability to draw lessons from experience with certain types of programs, some of which could be seen as having systemic lessons.<sup>15</sup>

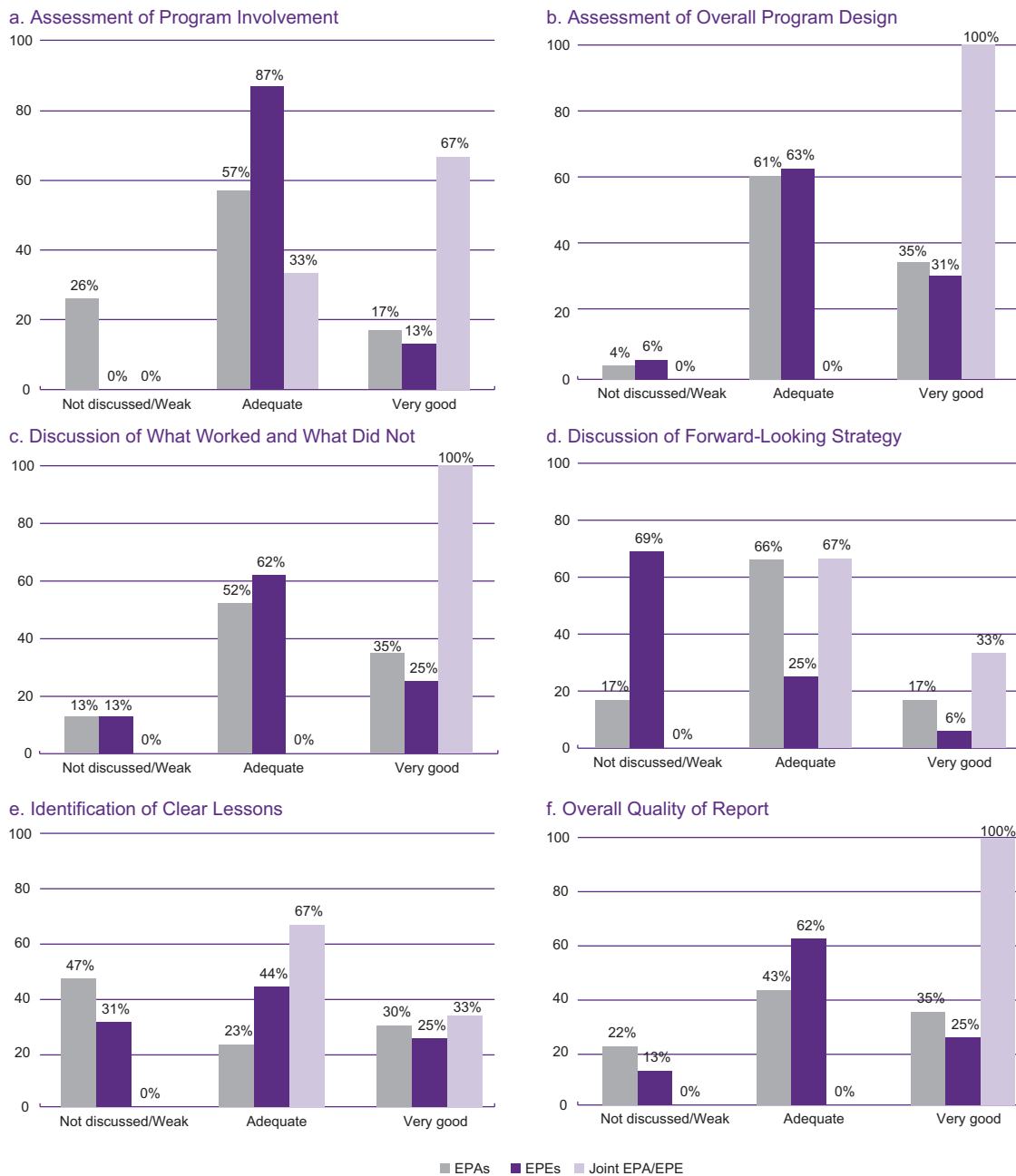
### Quality of EPAs and EPEs

28. The evaluation found that these assessments were generally effective tools for reflecting on experience, although there was room for improvement in their candor, in their focus on IMF and Staff performance, and in drawing lessons that could be applied across the institution. Goldsbrough (2015) found that the overall quality of a large majority of EPAs and EPEs was adequate or very good (78 percent of EPAs and 87 percent of EPEs), but that a sizable minority of EPAs, as well as most EPA Updates, were weak. Overall these reports were strongest with respect to assessing program involvement, program design, and what worked and what did not work in programs (see [Figure 1](#)). They did less well in probing why a program succeeded or failed and the broader rationale for IMF engagement. Many of them presented evidence and set the stage for pointing to and analyzing weaknesses in the program, but stopped short of drawing conclusions or identifying useful lessons for improving IMF operations more broadly.

29. The quality of lessons offered for improving IMF operations varied widely; nearly half of EPAs and one-third of EPEs failed to identify clear lessons. Only 20 percent of the assessments identified explicit forward-looking lessons for IMF operations in general. The weaker reports identified no lessons—or lessons that were too general to offer much help for future operational engagement with the program country or

<sup>15</sup>Examples of programs that were not evaluated included the 2010 Iraq Stand-By Arrangement, the programs between 2003 and 2012 in the Dominican Republic, and the 2002 and 2009 programs in the Democratic Republic of the Congo.

**Figure I. Overall Quality of Self-Evaluation Reports**  
(In percent of type of report, excludes EPA Updates)



Source: IEO analysis.

a roadmap for an exit strategy. The Kenya 2008 EPA was found by the review to be an example of a high-quality assessment (see [Box 2](#)), and a few of the more recent EPEs (e.g., on Greece, Ireland, and Ukraine) presented particularly candid assessments.

30. A key factor determining the quality of assessments and lessons seems to have been the experience of

the evaluation team leader.<sup>16</sup> Goldsbrough (2015) found that assessments prepared by senior Staff (B-level)

<sup>16</sup>Goldsbrough (2015) examined other potential influences on the quality of assessments and lessons: size of country involved, type of economy, geographic region, type of IMF lending facility involved, whether a follow-up program was likely. None seemed to be a major determining factor.

**Box 2. Kenya Ex Post Assessment, 2008: An Example of Good Practice**

The EPA report completed for Kenya in August 2008 provides a good example of self-evaluation of lending. It laid out a frank and critical analysis of the IMF's engagement through three programs (1993, 1997, and 2003) and provided clear lessons for future engagement. The report discussed the rationale for IMF involvement, the pressures leading to longer-term program engagement, and the strengths and weaknesses of program design. Among the issues it addressed were the impact of IMF engagement on domestic institutions, the effectiveness of IMF technical assistance, and the appropriateness of conditionality. While noting the centrality of governance issues, the report faulted the IMF for imposing conditions that were not macro-critical (e.g., the prosecution of former high-level officials) and for shifting its focus too late to institutional strengthening.

The report tackled the question of why programs had gone off-track despite the fact that macroeconomic policy design and its implementation were broadly appropriate. While acknowledging the difficulties of engagement in

Kenya during this period, the report identified a number of ways in which the IMF could have done better, and clear lessons for future engagement in Kenya, including:

- the importance of focusing conditionality on macro-critical issues;
- the need to consider an instrument with shorter duration and lower access to IMF resources in cases in which there are serious governance concerns and an unsound track record; and
- the need for enhanced transparency and a communications strategy when programs languish off-track for long periods.

Finally, the report integrated into its analysis the views of country authorities and other stakeholders, including the authorities' perspective that Kenya had been singled out and treated in a less than evenhanded manner. These views fed into the lessons that the assessment distilled for the IMF.

team leaders were better in overall quality and in the clarity of lessons identified than reports prepared by more junior team leaders. This underscores that experience is critical when trying to determine what could have worked better and identify alternative policies and strategies. In interviews, Staff also pointed out that senior Staff could act more independently and be more candid in assessments.<sup>17</sup>

31. Most of the assessment reports consigned the country authority's statement on the program to an annex, rather than taking it into account in the analysis of what had transpired during the program. Only a few reports discussed criticisms raised by external stakeholders.

32. The assessment reports were reviewed by SPR and the respective area department. This review and the internal clearance process limit the room of the EPA/EPE team to provide candid and independent assessments of programs. However, this evaluation acknowledges that it would be difficult to design an alternative "more independent" review process. To address this concern, other IFIs have a system of independent

validation of assessments, usually conducted by their independent evaluation office, designed to strengthen the independence and candor of these reports.

**Utilization of Lessons from EPAs and EPEs**

33. Ultimately, the main value of EPAs and EPEs lies in their contribution to improving future programs. Beyond their quality, discussed above, this depends on their dissemination and the extent to which any lessons they offer were learned by Staff and taken into account in the design and implementation of future programs. The evaluation found that country-specific lessons from EPAs and EPEs were utilized in the design of successor programs and that Executive Directors relied on these assessments when considering new programs.<sup>18</sup> Indeed, Directors often referred to EPA and EPE findings and lessons in Board discussions of successor programs.<sup>19</sup>

<sup>17</sup>Nevertheless, leadership of these assessments was often assigned to more junior Staff. It seems that the selection of the project leader was often guided by the goal of allowing junior Staff to gain the experience needed to be considered for promotion. Some of these team leaders reported that they were concerned by the prospect of having to criticize a mission chief who could impact promotion decisions.

<sup>18</sup>This conclusion was based on a review of a sample of 15 successor programs for countries for which EPAs and EPEs had identified clear and actionable lessons.

<sup>19</sup>The IEO reviewed minutes of Board discussions on EPAs and EPEs, and on the request for successor programs for the respective countries. It found that one or more Directors made substantive references to the EPA or EPE lessons in discussing successor program

On the other hand, the initial Board discussions of these assessments themselves were brief and their Summings Up were usually bland.

34. Dissemination consisted almost exclusively of issuing the reports to the Board and disclosing most of them to the public.<sup>20</sup> Few efforts were made to call attention to the results or to disseminate lessons beyond the teams working on the respective country.<sup>21</sup> The evaluation found no mechanism that highlighted or disseminated lessons that might be widely applicable. A large majority of Staff reported having read at least one EPA or EPE, and most found them useful, as did the vast majority of Staff who had participated in these exercises.<sup>22</sup> But in interviews, most Staff indicated that they had only read assessments on countries they were working on or one of a handful of high-profile assessments, for example the EPE for the 2010 Greece Stand-By Arrangement. It would seem, therefore, that the learning benefits from these assessments flowed mostly to teams working on the country whose earlier programs were assessed.

35. While the 2011 Conditionality Review included an analysis of lessons for conditionality across programs, this evaluation found no attempts to distill lessons from

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requests in more than half of the cases reviewed. At the same time, using the metric developed in Goldsbrough (2015), it found that more than half of the initial Board discussions of these assessments were weak, and only a quarter were very good. Indeed, in interviews Directors reported relying heavily on EPA and EPE lessons when considering new programs, but explained that discussions of the assessments were often sidetracked by the need to focus on forward-looking issues.

<sup>20</sup>A few were not published: Argentina (Joint EPA/EPE, 2006); Brazil (EPE, 2006); Macedonia (EPE, 2014); Pakistan (EPE, 2012); and Turkey (Joint EPA/EPE, 2008).

<sup>21</sup>Operational guidance for Staff on conditionality mentions the potential to reflect on experience at the end of programs but does not require self-evaluation. The guidance states that “while the last program review may not always be the most opportune time to assess the outcome of a Fund-supported program, Staff could use such reviews for stocktaking and, where possible, provide a preliminary assessment of stated program goals and their achievement and of the experience with program implementation.”

<sup>22</sup>Three-quarters of the respondents who had participated in EPAs/EPEs agreed or strongly agreed that the exercise was worthwhile, highlighting access to an insider perspective and information and the “unguarded opinions of colleagues.” On the other hand, one-fifth did not find the exercise worthwhile. Many questioned the incentives facing teams who prepared the assessments and the potential for impact.

clusters of EPAs and EPEs on a regular basis. This constituted a missed opportunity to promote learning across country teams and for the institution more broadly. In interviews, several Executive Directors and Staff indicated that they would have appreciated such cross-country lessons.

## Recent Developments

36. In April 2015, EPAs were discontinued as part of cost-cutting efforts. Instead, the Board decided that for “. . . countries meeting the LTPE definition, country teams—most knowledgeable about the country situation—would conduct a post program assessment at the beginning of the successor program negotiation or during the Article IV consultation mission, whichever is earlier. The Staff report of a new program request will contain a succinct, peer-reviewed assessment of the previous program for Board consideration.” These assessments will examine the mode of IMF engagement, compliance with conditionality, and whether the ultimate objectives of the program were achieved. Staff estimated that this new modality would yield savings of \$0.2–0.3 million in 2016, due to efficiencies in travel costs and synergies with current surveillance and/or program work (IMF, 2015).

37. A key distinction of the new approach is that the assessment of past programs will be conducted by the country team, rather than by an inter-departmental team. Country teams are likely to be more knowledgeable of country circumstances and can readily integrate lessons into future programs and surveillance work. However, this approach also carries important risks. First, it may lead to less forthright and candid assessments since country teams may feel even more constrained in their independence by career concerns. Second, this new approach does not provide a vehicle for member country authorities to express their views on the program or on the IMF or Staff’s performance. Finally, this new approach will eliminate the opportunity for the Board to reflect on lessons from past programs in time to provide guidance for new requests.

## Self-Evaluation of IMF Policies and Other Institution-Wide Issues

38. This section assesses self-evaluation of policies and other institution-wide issues at the IMF.<sup>23</sup> There were no explicit requirements to conduct free-standing self-evaluation of policies or institution-wide issues. However, self-evaluation was conducted as an input or as a by-product of the periodic policy reviews and other thematic reviews that the IMF prepared as the basis for forward-looking policy development and adjustments to operations.<sup>24</sup> This section examines the extent to which these policy and thematic reviews incorporated evaluative analysis, as well as their quality and utilization.

39. Policy and thematic reviews conducted over the evaluation period spanned the IMF's main activity areas and key operational and policy issues. On *lending*, the topics covered by policy reviews included conditionality, specific facilities or instruments (the Flexible Credit Line, facilities for low-income countries, and the Policy Support Instrument), access policy, transparency, and debt limits. Thematic reviews addressed issues including the IMF's financing role (2008), crisis programs (2009), and monetary policy in a subset of member countries (2013). On *surveillance*, policy reviews examined, inter alia, surveillance, the Financial Sector Assessment Program, data provision, standards and codes, and

data standards. Thematic reviews included an analysis of initial lessons from the crisis (2009), examination of IMF involvement in the G20 Mutual Assessment Process (2011), and consideration of macroeconomic issues in fragile states (2011) and small states (2013). The IMF also conducted thematic reviews of *technical assistance*, as discussed in Chapter 5 below.

### Self-Evaluation Is a Component of Many Policy and Thematic Reviews

40. The IEO examined 58 policy and thematic reviews prepared during 2006–13 to assess the extent to which they incorporated self-evaluation as means of learning, and enhancing transparency and operational effectiveness. This analysis, summarized in Table 2, addressed six questions for each review. First, the IEO asked whether self-evaluation was an explicit goal of the review. For each review, whether or not it had an explicit self-evaluation goal, the IEO then examined whether it presented evidence about past experience; analyzed the effectiveness of policies or practices; and drew lessons from this analysis to guide future policies or operations. To assess utilization, the IEO explored whether these lessons then fed into policy or operational reforms. Finally, it asked whether the evaluative work addressed Staff practices, in addition to institutional or policy issues.

41. Nearly 60 percent of the policy reviews (but only 17 percent of thematic reviews) explicitly included self-evaluative aims in their objectives or terms of reference; in each of these reviews, self-evaluation was at least a building-block of a broader discussion.<sup>25</sup> For

<sup>23</sup>This section draws on Stedman (2015), which examined 23 policy reviews and 35 other thematic reviews (comprising 110 documents, including background papers), and where the documents are listed.

<sup>24</sup>The analysis in this section covers two categories of reports: a set of “policy reviews” that were mandated by the Board to take place on a periodic or as-needed basis, as listed in IMF (2015), Table 4, and other reviews that took place on an ad hoc basis, referred to here as “thematic reviews.” In April 2015, in the context of the FY2016 budget, the Board decided to consolidate reviews and shift most of them to an as-needed basis with a periodicity of five years or more. Reviews of surveillance, conditionality, and capacity building will take place on a five-year schedule; review of the Debt Sustainability Framework will continue to take place every three years; and reviews of interest rates and eligibility for the Poverty Reduction and Growth Trust will occur every two years. Thematic reviews, on the other hand, take place at Management's initiative or at the Board's request. The Board can ask at any time that any review be undertaken or accelerated.

<sup>25</sup>Two thematic reviews specified self-evaluation as their primary purpose: “Anti-Money Laundering and Combating the Financing of Terrorism: Review of the Quality and Consistency of Assessment Reports and the Effectiveness of Coordination” (IMF, 2006a) and “Treatment of Exchange Rate Issues in Bilateral Surveillance” (IMF, 2006b).



**Table 2. Self-Evaluation in IMF Policy and Other Institution-Wide Reviews: Summary of Findings**

Evaluation Questions	Policy Reviews		Other Thematic Reviews		Total	
	Number	Share	Number	Share	Number	Share
Self-evaluation was an explicit purpose of review?	13	57%	6	17%	19	33%
Presented evaluative evidence (e.g., regarding compliance, quality)?	19	83%	19	54%	38	66%
Conducted evaluative analysis to determine effectiveness?	19	83%	18	51%	37	64%
Drew lessons for future policy or operations?	18	78%	12	34%	30	52%
Lessons fed into policy or operational changes?	17	74%	7	20%	24	41%
Included evaluative work pertaining to Staff practices?	14	61%	5	14%	19	33%
Total number of reviews	23		35		58	

instance, the overall theme of the 2011 TSR was “making Fund surveillance as interconnected as the global economy itself,” but it also set out to “take stock of steps taken to address gaps identified in pre-crisis surveillance [and] assess the extent to which surveillance meets stakeholders’ expectations.” Other policy reviews that included self-evaluation explicitly as part of their terms of reference examined, for example, the adequacy of the IMF’s toolkit for low-income countries, the impact of past changes (as well as developments in the global economy) on IMF conditionality and program design, and the effectiveness of the Standards and Codes initiative.<sup>26</sup>

42. A vast majority of the policy reviews and about half of the thematic reviews (83 percent and 54 percent, respectively) incorporated self-evaluative work as an element of the review, even if they did not have explicit self-evaluative objectives. To varying degrees, these reviews presented, analyzed, and drew lessons from evaluative evidence. About 78 percent of the policy reviews and 34 percent of the other thematic reviews included all of these elements to some extent. Where lessons were identified, these lessons fed into proposed policy or operational reforms in all but one of the policy reviews and a handful of other thematic reviews.<sup>27</sup>

<sup>26</sup>“The Fund’s Facilities and Financing Framework for Low-Income Countries” (IMF, 2009a); “2011 Review of the Standards and Codes Initiative” (IMF, 2011a); and “2011 Review of Conditionality—Overview Paper” (IMF, 2012a).

<sup>27</sup>“Review of the Policy Support Instrument” (IMF, 2009b) concluded that experience was too limited at that time to propose modifications. For many of the thematic reviews for which lessons were not found to immediately having contributed to policy or operational

43. The IEO found many examples of policy and other thematic reviews where the evaluative work was of high technical quality and played a prominent role. Two such examples are the 2011 TSR (IMF, 2011c) and the 2011 Conditionality Review (IMF, 2012a). Both of these reviews analyzed Staff reports and conducted surveys and interviews to examine, respectively, the quality and relevance of IMF advice and the impact of IMF programs on country outcomes. Importantly, the 2011 Conditionality Review included a meta-analysis of lessons from individual programs set out in EPAs and EPEs, although its conclusions about cross-cutting lessons were presented in a background paper and referenced only briefly in the overview report.

44. There was evidence that the integration of self-evaluation in policy reviews helped lessons distilled from experience inform policy development. For instance, evaluative analysis in the 2011 Conditionality Review fueled extensive Board discussion of program design and the application of conditionality; and evidence presented in the 2014 FSAP Review (IMF, 2014d) about limited coverage of nonsystemic countries led to Board discussion about how to enhance attention to financial sector issues in these countries.

45. Further, in many cases, evaluative findings and lessons gained traction in the outcomes of many reviews. For instance, the 2014 TSR finding that about half of Article IV Staff reports did not include an in-depth

reforms, such as the 2009 “Review of Recent Crisis Programs” (IMF, 2009c), these lessons may nonetheless have contributed to future changes.

### Box 3. Examples of Self-Evaluation of Staff Practices in Policy Reviews

The 2011 Conditionality Review (IMF, 2012a) and the 2014 Triennial Surveillance Review (IMF, 2014a) are good examples of policy reviews that included substantial self-evaluation of Staff practices, in addition to examining broader institutional policies and operations. Both of these reviews proposed recommendations on how to improve Staff practices, and the TSR also introduced provisions for monitoring implementation.

The 2011 Conditionality Review assessed Staff work in designing programs and engaging with authorities, drawing on evidence collected in desk studies of Article IV Staff reports and surveys of stakeholders. The overview paper highlighted findings about Staff practices such as weak links between program conditionality and the recommendations of prior surveillance. It recommended steps to improve Staff work, such as more consistent discussing of alternative policy options with authorities during program

design. At the Board discussion, Executive Directors reflected on many of these findings and lessons for Staff practices.

The 2014 Triennial Surveillance Review assessed the coverage, depth, and consistency of Staff analysis and the connections between analysis and policy advice in Article IV reports. It identified lessons for Staff practices as well as for the institution's approach to surveillance. For example, it recommended concerted efforts to draw on cross-country policy experiences and to undertake more targeted communications on the analysis of underlying policy advice. In discussing the TSR, Directors addressed a number of these lessons. The Managing Director's Action Plan (IMF, 2014b) set forth mechanisms to monitor implementation by enhancing the existing review process and introducing targeted surveys and informal feedback mechanisms before the next surveillance review.

discussion of the fiscal-monetary policy mix, helped build the case for the decision that these reports should discuss the policy mix more explicitly in order to provide more cohesive policy advice. Similarly, the finding in the thematic review of “Macroeconomic and Operational Challenges in Fragile States” (IMF, 2011b) that the IMF had sought to manage the inherent risks of engaging in fragile states through overly ambitious programs—contributing to uneven program implementation—helped to shape the design of strategy going forward, including emphasis on greater flexibility in program design to better reflect limited implementation capacity. In addition, during a Board discussion in 2012, one Director pointed to the impact of self-evaluation, noting that an increased commitment to honest self-assessment, for instance in the 2009 “Review of Recent Crisis Programs” (IMF, 2009c), was yielding results in terms of improved program design.

46. Policy and thematic reviews also included self-evaluative analysis on Staff practices, although not as often as on institutional issues. About 60 percent of the policy reviews and 15 percent of the other thematic reviews examined aspects of Staff practices, for example, how well Staff handled issues that arose in interactions with authorities on data provision (IMF, 2008 and 2012b). Paying explicit attention to Staff practices is important for improving the execution of IMF policies and activities by Staff teams. Box 3 provides examples

of self-evaluation of IMF staff practices incorporated in policy reviews.

### Strengths and Weaknesses of the IMF Approach to Self-Evaluation of Policy and Thematic Issues

47. The close integration of self-evaluation into the policy development process helped make policy development better informed by lessons from experience, and gave self-evaluation significant traction. However, there were also disadvantages to subsuming self-evaluation in reviews aimed at policy development, particularly that evaluative lessons, especially those focused on Staff practices, could get lost. This was evident in perceptions about reviews and the lack of mechanisms for disseminating their outcomes. First, Staff involved in the preparation of key policy reviews saw policy development as their overriding objective.<sup>28</sup>

<sup>28</sup>In the survey for this evaluation, more than half of respondents who had participated in the 2011 TSR agreed that the exercise aimed primarily to develop alternative approaches rather than to look at lessons from past activities, even though nearly all agreed that it also aimed to document what worked and did not work. Only 31 percent of all respondents saw the 2011 TSR as an important accountability tool. The perception that this exercise was more forward-looking than an exercise for learning or accountability was summed up by

Second, Board discussions, and the resulting Summings Up, focused (appropriately) on policy reforms, with little reference to past institutional or Staff performance. Third, there was no established mechanism for disseminating lessons and promoting Staff learning from the evaluative findings in reviews, as the corresponding guidance notes appropriately focused on how to operationalize decisions about policies. Indeed, supporting the concern that evaluative lessons could get lost, nearly half of the respondents for the Staff survey for this evaluation were unaware of whether major reviews of surveillance and conditionality had yielded lessons for Staff and Management.<sup>29</sup>

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one respondent who argued that “success” in such recent reviews seemed to be defined by “the extent to which they [could] be used to promote novelty, in terms of change in the way the Fund works, rather than an empirically based assessment of current practice.” Further, 25 percent of all respondents believed that the 2011 TSR presented predetermined outcomes driven by political factors—making it unlikely that they themselves would rely on the review for lessons from experience.

<sup>29</sup>Sixty percent of the respondents reported that they did not know whether the 2011 Conditionality Review had contributed to an understanding among Management and Staff about what worked and what did not work; 40 percent of the respondents reported that they did not

48. The recent decision to consolidate some policy reviews and conduct many of them on an as-needed basis, rather than on a preset periodic schedule, has three implications for self-evaluation. First, the consolidation of some policy reviews will widen the scope of these reviews, which will complicate the conduct of in-depth self-evaluation. Second, most periodic reviews (about 60 percent of policy reviews) provided a regular opportunity for assessing the implementation of decisions from earlier reviews. As policy and thematic reviews become less frequent, Staff may need to prepare ad hoc progress reports for this purpose. Finally, for those issues that will be reviewed only on an as-needed basis, there will no longer be periodic opportunities for self-evaluation. This may leave the Board and Management without important information on when changes to policies, operations, or Staff practices may be needed.<sup>30</sup>

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know for the 2011 TSR. Both of these reports had background papers containing important lessons for Staff.

<sup>30</sup>While it may be justified to undertake policy reviews on an “as-needed” basis when making adjustments in light of changing global conditions or shifts in the views of member country authorities, it is not best practice to assess past performance for learning and accountability purposes on this basis.

## Self-Evaluation of IMF Capacity Development Activities

49. This section addresses the mechanisms in place for self-evaluation of capacity development activities by the IMF.<sup>31</sup> Capacity development encompasses the technical assistance (TA) and training that the IMF provides to member countries, and accounts for about one-quarter of the institution's administrative budget.<sup>32</sup> The Board sets overall policy for capacity development but has devolved the responsibility for approving and overseeing individual projects and other activities to Management. The Institute for Capacity Development (ICD), created in May 2012 through a merger of the former IMF Institute and the Office of Technical Assistance Management (OTM), sets strategy and coordinates the delivery of TA and training activities. External donors fund about half of the direct costs of the program, but the IMF takes ownership for the delivery of TA and training.

50. Self-evaluations of capacity development activities were often required by donors and partners involved in the financing and/or execution of these activities and were largely conducted in line with broadly accepted practices and standards of evaluation. The quality and coverage of self-evaluation varied widely. Most assessments included an examination of inputs and outputs but only a few sought to assess outcomes and impact, which is difficult to do. Limited mechanisms were in place for dissemination and utilization of lessons. Some self-evaluations resulted in formal reports but these were not discussed by the Board. However, the Board guided the IMF's approach to capacity development through periodic strategic reviews, which to varying degrees included elements of self-evaluation.

51. In 2014, the IMF adopted a new statement on "IMF Policies and Practices on Capacity Development" (IMF, 2014c) that lays the basis for a unified approach to evaluation, including a results-based management framework, a common evaluation standard to facilitate comparison across technical assistance and training activities, and a periodic IMF-wide review of capacity development to be considered by the Board. While the IMF is now implementing this new approach, it will take some time to see its results and therefore this evaluation focuses on the framework in place up through 2013.

### Self-Evaluation of Technical Assistance

52. IMF TA is carried out through a range of modalities, including headquarters-based short-term missions and resident long-term consultants. All TA projects are tracked via the web-based TA Information Management System (TAIMS) mainly intended as a monitoring tool to facilitate management of the projects. The TAIMS template calls for a basic self-evaluative statement of whether projects met their stated objectives. However, an IEO study (Selowsky and Tan, 2015) of TAIMS documentation for a sample of completed projects found wide variation in the extent to which this is done.<sup>33</sup> Also, there was no uniform approach to specifying objectives or assessing the quality of TA outputs or outcomes.

53. In addition to TAIMS tracking, most donor-financed and some IMF-financed TA undergo more intensive self-evaluation, whether as a result of donor

<sup>31</sup>This section draws on Selowsky and Tan (2015).

<sup>32</sup>TA in this context follows the Fund's budgetary definition which excludes activities such as FSAPs and Reports on the Observance of Standards and Codes. Training in this context refers to training of member country government officials, which the IMF classifies as external training. The IMF's training of its own Staff is not covered by this evaluation.

<sup>33</sup>About two-thirds of the projects reviewed by the IEO described a reasonably clear sequence of activities, though specification of objectives and outcomes was not consistent across projects, even within departments. About three-fifths of the projects reviewed had received complete and reasonably candid final assessments at the point when project activities were closed.

requirements or departmental practices.<sup>34</sup> The focus of donor-mandated evaluations varied according to the type of activity examined; usually they aimed to assess relevance, effectiveness, efficiency, impact, and sustainability (following OECD-Development Assistance Committee criteria). Evaluations undertaken by TA departments typically examined a particular topic in multiple countries or a long-lasting TA relationship in a single country. Some focused narrowly on the technical quality of advice (inputs), while others looked more fully at the results chain; sometimes—but very rarely—these evaluations assessed whether recipient agencies were able to utilize the knowledge and skills imparted (outcome) and the ultimate effect on agency performance (impact). IMF departments also use other evaluation tools, including contacts with country authorities and TA donors and surveys of stakeholders.

54. The IEO did not find any consistent practices for sharing or following up on lessons from self-evaluation. A May 2013 assessment of capacity development strategy by IMF staff described the dissemination and follow-up of evaluation findings and lessons as “irregular” (IMF, 2013). Similarly, the survey undertaken for this evaluation found that half of IMF staff respondents who had participated in capacity development activities did not believe that mechanisms were in place to follow up on lessons learned. Further, donor-mandated evaluations appeared primarily (or perhaps exclusively) to serve the purpose of reporting and accountability, both by the IMF to the donors and within donor countries.

<sup>34</sup>More than 75 percent of the externally financed TA is covered by donor-mandated evaluations. A significant share of the remainder is evaluated by the IMF departments delivering the TA. Annex 2 of Selowsky and Tan (2015) lists the 37 ex post/thematic reports issued during 2006–14, often covering many projects.

55. Still, there were examples of utilization of evaluation findings. In particular, the Committee on Capacity Building, chaired by Management, considered lessons on the relevance of TA in the allocation of resources. Periodic strategic reviews of TA prepared for the Board about every three years included elements of self-evaluation and typically distilled some lessons for TA delivery. Also, from 2003 through 2010, Staff prepared five reports for the Board summarizing lessons from self-evaluations of a sample of TA projects.

### Self-Evaluation of Training

56. The relevance and quality of delivery of training activities (i.e., workshops, courses, and seminars) are assessed using client satisfaction questionnaires completed at the end of each course, a triennial survey of agencies that send their staff for IMF training, and periodic meetings of regional training directors. Recently ICD has started giving quizzes before and after some of its training courses, and an expanded program of follow-up surveys was introduced to assess the longer-term impact of training, but this is challenging.

57. Lessons from self-evaluation of training are taken into account in designing and delivering activities. Feedback for each training event is reported to departmental management, and evaluation results are shared with donors and partners. Some IMF staff reported that the results of triennial surveys are taken into account in planning future courses. However, greater efforts should be devoted to distill and disseminate lessons from follow-up surveys and regional training director meetings.

## The Executive Board and Self-Evaluation in the IMF

58. This chapter discusses the Board's role in self-evaluation at the IMF. The IEO found that the Board utilized self-evaluation results in reviewing and deciding on policies and operations. However, Staff was largely unaware of this utilization and more generally it did not perceive the Board as a champion for self-evaluation. Therefore, the evaluation concluded that the Board did not make sufficiently clear the importance of self-evaluation as a tool for learning and accountability. The evaluation also found that the Board engaged in few self-evaluative activities to examine its own performance.

### The Role of the Board in IMF-Wide Self-Evaluation

59. The Board played a key role in the governance of self-evaluation activities undertaken by Management and Staff. The self-evaluation tools discussed earlier in this report, including EPAs, EPEs, and policy and other thematic reviews were established and have continued to be refined as a result of Board-mandated decisions. The Board also considered lessons and conclusions arising from self-evaluation in order to inform its approval, revision, and oversight of IMF policies and programs. Indeed, in interviews conducted by the IEO, Directors stressed the importance of applying lessons from EPAs and EPEs in the design and implementation of subsequent programs.

60. However, IMF staff had mixed views about the Board's engagement on issues raised by self-evaluations. Two-thirds of IMF staff respondents to the evaluation survey agreed that the Board was interested in reports that documented what worked and what did not, but fewer than half agreed that the Board took up the issues raised by self-evaluations and contributed to drawing lessons for the institution. This perception of a lack of

follow-up of self-evaluation was corroborated by IEO interviews in which some Staff expressed disappointment with the quality of Board discussions of EPAs and EPEs.

61. Several Directors interviewed by IEO offered a more expansive view on the Board's role in IMF self-evaluation. They emphasized their role as conduits for authorities' feedback and alternative perspectives about IMF policies and operations, as well as advocates for learning and change from within the institution. Directors believed that they contributed to self-evaluation of the institution not just by considering documents presented by Staff and Management but also by conveying the broader view of their authorities on the IMF's work.

### Executive Board Self-Assessment

62. Self-evaluation by the Board of its own work and activities is important to strengthen its effectiveness in carrying out its critical governance role. The IEO evaluation of *Governance of the IMF* (IEO, 2008) found that there was no formal procedure in the IMF for Board self-evaluation and recommended that the Board establish a regular process of self-assessment as a learning tool, including gathering feedback from authorities, Management, and Staff.<sup>35</sup>

63. While no self-evaluation system has been established since the 2008 IEO report, steps have been taken to monitor and assess changes in Board work practices. In 2012, the Secretary's Department prepared a report on the implementation of Board efficiency reforms that

<sup>35</sup>In follow-up Board discussions, Directors agreed that the Working Group on the Framework of the Managing Director's Performance Evaluation should expand its work program to consider this recommendation.

were agreed in 2010. That report included an analysis of monitoring indicators, as well as a survey of IMF staff and Offices of Executive Directors on implementation.<sup>36</sup> In IEO interviews, Directors expressed skepticism about formal Board self-assessments. Many Directors believed that any such assessment should be narrowly constructed and carried out by the Agenda and Procedures Committee.<sup>37</sup> Some questioned the need for self-evaluation by the Board—and whether it is appropriate—given that Directors are accountable to country authorities. Nonetheless, they expressed interest in practices at other IFIs.

<sup>36</sup>Directors also discussed Board operations in several informal settings, including at retreats that were meant to provide an opportunity for self-assessment. However, Directors interviewed for this evaluation explained that discussions during retreats did not focus on the effectiveness of Board performance or lessons from experience.

<sup>37</sup>The Committee’s terms of reference include, *inter alia*, “[supporting] the development and orderly implementation of an effective management-guided work program and agenda of the Executive Board.”

## What Else Could Be Done: Practices at Other IFIs

64. Despite the significant differences in the mandates of IFIs and the roles of their respective Boards, self-evaluation practices at these organizations could provide examples of arrangements that could be useful at the IMF. For instance, the World Bank Executive Board has carried out annual self-assessments since 2012. Under this exercise, Executive Directors and Alternate Executive Directors complete a questionnaire covering issues such as the effectiveness of the Board and its committees, the balance between strategic and micro-level objectives on their agenda, ethics, and standards of integrity for Board members, and Board relations with Management. A summary report of the results and follow-up actions are discussed by the Board. At the African Development Bank, the Executive Board has conducted annual effectiveness reviews; these have been discussed at Board meetings and Board retreats, and their results have been used to develop an agenda to improve effectiveness. In 2014, the European Investment Bank Board of Directors carried out a self-assessment.

## CHAPTER 7

# Conclusions and Recommendations

65. This chapter discusses the report's key conclusions and recommendations to enhance the contribution of self-evaluation to IMF effectiveness by strengthening learning, transparency, and accountability. The key recommendations for Board consideration are then presented in [Table 3](#).<sup>38</sup>

66. This evaluation found that considerable self-evaluation takes place at the IMF, covering a large part of the institution's work. During the last decade, many IMF self-evaluation activities and reports were of high technical quality and informed policy development and operations. Still, there are gaps in coverage, weaknesses in quality, and shortcomings in the dissemination of lessons, in part because of the absence of an explicit, institution-wide approach to this work. Further, decisions taken in April 2015 as part of a cost-cutting exercise will weaken the self-evaluation function.

### The Overall Institutional Approach

67. Overall, the IMF takes an ad hoc approach to self-evaluation, requiring self-assessments and setting guidelines only in limited instances, and conducting self-evaluation of policy and institution-wide issues as input or as background for policy or other thematic reviews. For the most part, this approach has served the IMF relatively well: self-evaluation was integrated with the institution's broader policy work, its lessons fed into the design of operations, and self-evaluation outputs and practices evolved as the IMF's work and priorities changed.

68. However, this approach has important weaknesses and risks. The IMF does not have an overall policy to determine what needs to be evaluated and

how, who is responsible for these evaluations, and how they should be followed up. Self-evaluation practices do not reflect a strategic assessment of learning and accountability priorities. This leads to significant gaps in the coverage of self-evaluation and evaluation work not being utilized as learning tools.

69. Moreover, this evaluation comes at a time when self-evaluation mechanisms at the IMF may be weakening. In particular, the IMF has recently decided to abolish the requirement for ex post assessment of LTPE programs, to consolidate some policy reviews, and to undertake other reviews only on an as-needed basis. These changes, which were agreed in the context of a broader cost savings exercise, weaken self-evaluation and its contributions to learning, accountability, and transparency. The absence of a self-evaluation policy or overall guidelines meant that these changes could be decided without a thorough analysis of their impact on the self-evaluation function.

70. Therefore, as is the case in other IFIs, to ensure the appropriate self-evaluation coverage and to bring coherence and transparency to self-evaluation activities, the IMF should adopt a broad *self-evaluation policy* or general principles to establish an explicit, institution-wide framework for self-evaluation (including its goals, scope, outputs, and utilization). Such a policy should be general and principles-based to allow self-evaluation products and practices to evolve with the policy and operational environment. In addition, Management should conduct a *periodic strategic review* of the self-evaluation function (perhaps every five years), as the basis for adapting the policy and resulting framework to changing circumstances. Management should also consider appointing a *self-evaluation expert* to serve as a champion for the function, to provide quality assurance, and to coordinate capacity building and knowledge sharing on evaluation methods.

71. The following recommendations would strengthen the coverage, quality, and impact of self-evaluation at the IMF. They could be adopted at this time, and eventually incorporated into the proposed overall policy or statement of principles.

<sup>38</sup>The IEO recognizes that its recommendations have resource implications, but it estimates that these costs would be relatively small. Moreover, these costs would need to be weighed against the value of an explicit and more transparent framework that establishes a clear role for self-evaluation in the IMF.



**Table 3. Key Recommendations for Board Consideration**

Key Area	Recommendation
Institutional framework	The IMF should adopt a broad policy or general principles to establish an explicit, institution-wide framework for self-evaluation in the IMF (including its goals, scope, outputs, utilization, and follow up). It should then conduct a periodic review of this function as a basis to adapt the policy to changing circumstances.
Self-assessment of programs	The IMF should conduct self-assessments for every IMF-supported program. The scope and format of these assessments could vary across programs, but it is critical that country authorities be given the opportunity to express their views on the design and results of each program as well as on IMF performance.
Self-assessment of policies and other institution-wide themes	Each policy and thematic review should explicitly set out a plan for how the policies and operations it covers will be self-evaluated going forward.
Distilling and disseminating self-evaluation lessons	IMF Management should develop products and activities aimed at distilling and disseminating evaluative findings and lessons in ways that highlight their relevance for Staff work and that facilitate learning.

### Evaluation of IMF-Supported Programs

72. During the evaluation period, assessments of programs for countries with LTPE (EPAs) and with exceptional access to IMF resources (EPEs) mostly fulfilled their roles of taking stock of IMF-supported programs. They also drew lessons that were often incorporated when subsequent programs were undertaken.

73. This evaluation nonetheless identified certain gaps and weaknesses in the coverage and quality of self-evaluation of programs. In particular, IMF-supported programs with normal funding levels in support of countries that were not engaged with the IMF on a long-term basis were never evaluated. Moreover, following the planned elimination of EPAs, there is a risk that assessments of LTPE programs and lessons will be subsumed in forward-looking analysis, thereby undermining the potential for learning as well as accountability and transparency.

74. The IEO recommends that the IMF conduct self-assessments for every IMF-supported program. The scope and format of these assessments could vary across programs, but it is critical that country authorities be given the opportunity to express their views on the design and results of each program as well as on IMF performance. Best practice would suggest that each program should undergo self-evaluation by arm’s-length Staff teams from outside the area department in charge of the program, as was the case with EPAs and remains the practice for EPEs. However, in light of resource constraints, the IMF could consider a more streamlined approach:

- Assessment of all completed programs by country teams should become a routine and standard practice. This could take the form of a succinct, peer-reviewed assessment of whether the ultimate

objectives of the program were achieved and drawing lessons for future engagement. As agreed for the process that will replace EPAs (IMF, 2015), these assessments could be submitted for Board consideration in the context of a new program request or an Article IV consultation.

- Arm’s-length, inter-departmental teams should conduct self-evaluations for a sample of normal access programs, including but not limited to those with LTPE. This would be in addition to continuing with the preparation of ex post evaluations for exceptional access programs.<sup>39</sup>
- To further strengthen candor, the Board may wish to consider having independent validation of program assessments and/or independent assessments of a sample of individual programs, as is the case in other IFIs.

75. A more regular practice of assessing groups of programs, as in the 2009 “Review of Recent Crisis Programs” (IMF, 2009c), could help in drawing lessons for IMF policy and approaches in particular circumstances. But such reviews could not replace the assessment of individual programs that provide a better opportunity for bottom-up learning and enhancing transparency.

76. Policy and other thematic reviews related to lending—particularly of conditionality, program design, program clusters, facilities, and other modalities of lending—are also important vehicles for learning from experience across programs. As has been largely the case

<sup>39</sup>Given that thirty-four normal access programs expired between 2012 and 2014, a sample of 10–20 percent would imply that one or two such evaluations would need to be conducted per year.

so far, these reviews should incorporate self-evaluation and draw on assessments of individual programs.

### Evaluation of Bilateral Surveillance Activities

77. Self-evaluation of bilateral surveillance takes place within periodic surveillance reviews (i.e., the TSR, now the Comprehensive Surveillance Review). These reviews do not provide an opportunity for Staff to reflect on the substance of advice or their practices in individual surveillance activities. Looking forward, reflection on the conduct of Article IV consultations and the quality of advice by mission teams should become standard practice. The IMF should consider designing a streamlined process to assess the quality and traction of individual Article IV consultations shortly after they are completed. This could build on the current requirement to report on the implementation of recommendations from prior consultations. The findings and resulting lessons of this process would serve as inputs for subsequent surveillance reviews.

### Evaluation of Policy and Institution-Wide Issues

78. Evaluative analysis and lessons about IMF effectiveness were well integrated in IMF policy reviews, and to some extent in other thematic reviews of policies and institution-wide issues. However, without a systematic approach, self-evaluation often focused only on those issues most relevant to proposed reforms. Additionally, findings on how Staff teams were executing the institution's work were overshadowed by policy development considerations. Going forward, the IMF needs to pay more systematic attention in its policy and thematic reviews to self-evaluative work that examines institutional and Staff practices. A key step will be to establish criteria for assessing whether policies and operations are serving their intended purposes and how Staff and the institution as a whole are performing.

79. The IEO recommends that each policy and thematic review explicitly set out a plan for how the policies and operations it covers will be self-evaluated going forward. In light of recent changes to the periodicity of some reviews, Management should ensure that self-evaluation of policies and other institution-wide issues continue on a regular basis, including to help signal when policy reviews may be needed.

### Self-Evaluation of Capacity Development

80. Self-evaluation of capacity development is well established in the IMF. Most capacity development activities over the evaluation period were subject to some form of self-evaluation, although coverage and quality varied widely. IMF staff appeared to be benefiting from self-evaluation of capacity building: the survey for this evaluation found that a large majority of Staff who had participated in capacity development activities found self-evaluation useful. While a variety of mechanisms were used to assess the relevance and quality of inputs and outputs, assessing the absorption and implementation of new knowledge remains the most difficult and least well covered aspect of the results chain.

81. The IMF's new statement on "IMF Policies and Practices on Capacity Development" (IMF, 2014c) lays the basis for a unified approach to evaluation, including a results-based management framework, a common evaluation standard to facilitate comparison across technical assistance and training activities, and a periodic IMF-wide review. As this effort proceeds, it will be important for systems to remain simple and user-friendly, while also flexible enough to accommodate different types of TA projects, as well as the differences between TA and training. Thematic evaluations should focus more on the implementation of IMF advice and the resulting outcomes of TA. Periodic reviews of IMF-wide capacity building, to which Management committed in the context of the 2013 review (IMF, 2013), will be opportunities to collect lessons from experience with TA and training activities, and for the Board to provide oversight and guidance.

### Dissemination

82. Overall during the evaluation period, communication of self-evaluation lessons in a way that promoted learning and improvement by Staff was weak. Beyond its contributions to informing the policy agenda, self-evaluation should also provide Staff with learning opportunities so that they can improve their work and enhance IMF effectiveness.

83. The IEO recommends that Management increase efforts to disseminate evaluative findings and lessons in ways that highlight their relevance for Staff work and facilitate learning, including by distilling cross-thematic and cross-country lessons. Modalities might include, for

example, internal blogs by department directors, intranet notes on lessons and practices, or a “one-stop” internal website for Staff devoted to lessons from experience. Lessons from evaluations could also be used in TA and training activities and could be incorporated into background material for induction seminars for Board members.

### **Instilling a Culture of Self-Assessment and Learning**

84. Reflection on its own work is important for enhancing the Board’s effectiveness in carrying out its governance role. Although steps have been taken to

monitor and assess changes in Board work practices, the Board currently engages in relatively little examination of its own performance. While there are differences in the mandates of the IFIs and the roles of their respective Boards, self-evaluation practices at some of these organizations can provide helpful examples of self-evaluation arrangements.

85. To enable self-evaluation to make a more meaningful contribution and to strengthen the IMF’s learning culture, the Board and Management should routinely convey to Staff the importance of self-evaluation activities and products as tools for improving policies and practices. They could also consider setting an example by sharing with Staff what they learn from their own self-evaluation activities.



# Self-Evaluation at Other International Organizations

To provide context for its assessment of self-evaluation at the IMF, the IEO examined the evaluation frameworks in place at other international organizations. In addition to reviewing publicly available information, the IEO conducted a survey regarding evaluation policies and practices at ten other international financial institutions (IFIs).<sup>1</sup> This annex presents findings and highlights distinctions relative to the IMF. [Table A1.a](#) summarizes the survey results.

## Policies<sup>2</sup>

The IFIs other than the IMF that were covered by the survey, as well as several other international organizations, have policies setting out institutional and management frameworks for evaluation, including self-evaluation. Often these policies were formally approved by their Boards.<sup>3</sup> These policies typically outline the function that evaluation is intended to play within the organization;

<sup>1</sup>The survey was disseminated among the Evaluation Cooperation Group (ECG), which is comprised of the evaluation offices of member IFIs including the IMF. The ECG was founded, inter alia, to strengthen the use of evaluation for greater multilateral institution effectiveness and accountability and to enhance collaboration and share lessons among institutions. Survey respondents were the independent evaluation offices from the African Development Bank, Asian Development Bank, Black Sea Trade and Development Bank, European Bank for Reconstruction and Development (EBRD), European Investment Bank, Inter-American Development Bank, International Fund for Agricultural Development, International Monetary Fund, Islamic Development Bank, and the World Bank Groups (Independent Evaluation Group—World Bank and Independent Evaluation Group—International Finance Corporation). The survey was administered jointly by the IEO and the EBRD Evaluation Department in March 2012.

<sup>2</sup>In looking at evaluation policies, the IEO broadened its review beyond ECG members to include other select comparator international organizations, notably the World Health Organization and the United Nations Development Programme.

<sup>3</sup>Most have self-standing evaluation policies. The Asian Development Bank and the World Bank policies are contained within dedicated sections on evaluation within the institutional operations and procedures manual.

describe the scope of the organization's evaluation system; and delineate the roles and responsibilities of institutional actors for evaluation activities, including follow-up. Most also designate a senior manager responsible for self-evaluation. Often these policies include standards or guidelines for preparation of self-evaluation products, and, in a number of instances, they specify the organization's key self-evaluation outputs.

Nearly all the IFIs and other international organizations that were examined outline the frameworks for both self- and independent evaluation in a policy document, which indicates how these two functions are intended to complement each other. Provisions ensuring the integrity of independent evaluation, including of the office, its reports, and access to internal information, are also included. Examples of key provisions of these policies are provided in [Table A1.b](#).

The IMF does not have an institution-wide policy that governs or establishes a framework for evaluation across its activities. Board decisions mandate the self-evaluation of select IMF lending arrangements; Staff guidelines specify the parameters and features for these assessments. For capacity-development activities, a new policy and practices statement was issued in 2014 that lays out a framework and basic parameters for monitoring and self-evaluation (IMF, 2014c). The parameters for independent evaluation are laid out in the Terms of Reference for the Independent Evaluation Office.

## Self-Evaluation Practices

### Coverage

To varying degrees, IFIs conduct self-evaluation at the institutional, program, and project levels. The arrangements for doing so—including timing (ex ante, mid-term, ex post), periodicity, and the systematic nature of assessments—are similar in many institutions

other than the IMF. Below is a summary of survey responses, with a comparison to practices at the IMF.

- *Lending.* Of the respondent IFIs that undertake sovereign lending, all reported conducting ex post self-evaluation of these operations. Most did so for all their loans, usually in the form of a project completion report or similar product. At the World Bank, for instance, an Implementation Completion and Results Report (ICRR) is prepared at the close of every project. The ICRR assesses the extent to which a project has achieved its intended objectives efficiently; a rating is assigned for overall outcomes as well as for Bank and borrower performance. The IMF conducted ex post self-evaluations for about half of the lending arrangements it approved in 1999–2012.
- *Capacity building.* Of the respondent IFIs that engage in technical assistance/cooperation or training, a majority, including the IMF, evaluated these activities. Self-evaluation of TA was mandatory at two-thirds of these institutions, with the degree of coverage varying from 30 percent to 100 percent. While self-evaluation of TA was most often integrated within program completion reports, some institutions, including the IMF, have developed self-standing products for TA assessments. Self-evaluation of training was conducted at a majority of the respondent IFIs including the IMF, most often using self-standing products, even though it was mandatory at only one-fifth of these institutions.
- *Operational policies.* Most respondent IFIs did not conduct self-evaluation of operational policies. The IMF carries out periodic reviews of institution-wide activities and policies, such as surveillance and conditionality, which in practice typically include an element of self-evaluation.

## Utilization and Monitoring

All respondent IFIs selectively circulated self-evaluations internally, and the majority (including the IMF) publicly disclosed some self-evaluations. At a majority of these IFIs, the Board utilized self-evaluation findings “to some extent” (and, at one institution, “quite a lot”); respondents from a majority of the IFIs indicated that management utilized self-evaluation findings “quite a lot” and a few reported that this occurred “to some extent.” However, most respondent IFIs, including the IMF, had no system to track self-evaluation findings and lessons, and most had no formal process for monitoring the implementation of resulting recommendations.

## Role of the Independent Evaluation Office

At all of the respondent IFIs other than the IMF, the mandate for the independent evaluation office included an implicit or explicit role to oversee the quality of self-evaluation. Typically, this involved periodic review or validation of self-evaluation reports. For example, at the World Bank, the Independent Evaluation Group (IEG) undertakes a desk review of each ICRR and a more detailed, field-based assessment of a sample of completed projects. IEG also monitors and discusses arrangements for learning and accountability across the institution and highlights in its annual report, *Results and Performance of the World Bank Group*, issues that require attention to improve performance. In some organizations, the independent evaluation function also prepares or assesses an annual report on development effectiveness.

**Table A I.a. Summary of IEO Survey on Self-Evaluation at IFIs, March 2012<sup>1</sup>**

	Policy/Practice	Yes	No	IMF
Policy, guidelines and institutional arrangements	Evaluation policy that covers both independent and self-evaluation	8	2	No
	Guidelines for the preparation of self-evaluation products	9	1	Yes
	Senior manager responsible for self-evaluation	8	1	No
	Corporate units that carry out regular or occasional self-evaluations of operational activities as part of their regular mandate	6	3	No
	Centrally-managed review/quality assurance system for all types of operations	6	3	Yes
	Interdepartmental groups are responsible for self-evaluation	3	6	Yes
	Independent evaluation department mandate includes an implicit or explicit oversight role with respect to the quality of self-evaluation and learning process	10	0	No
Coverage	Operational policies	2	7	Yes
	Lending	10	0	Yes
	Technical assistance/cooperation	7	2	Yes
	Training	6	3	Yes
			I N/A	
Utilization of self-evaluation findings	Self-evaluations are circulated internally	10	0	Yes
	Self-evaluations are disclosed externally	6	4	Yes
	System in place to track the use of self-evaluation findings		9	No
			I DK	
	Self-evaluation findings are captured in a database for future use	3	6	No
	Formal requirement regarding the use of self-evaluation findings	7	3	No
	Extent of utilization by Executive Board			
	Not at all			
	To some extent	5		IMF
	Quite a lot	1		
Extensively	0			
Don't know	3			
Extent of utilization by Management				
Not at all	0			
To some extent	3		IMF	
Quite a lot	5			
Extensively	0			
Don't know	2			
Monitoring and implementation	Who is accountable for the monitoring and implementation of self-evaluation lessons or recommendations?			
	Management and department/unit	4		
	Department/unit (only)	2		IMF
	Management (only)	1		
	Management, department, no one	1		
	No one	1		

<sup>1</sup> There were eleven survey respondents from among the independent evaluation offices of Evaluation Cooperation Group member IFIs. Some entries do not add to total due to no response. While information related to some survey responses may be in the public realm, there is no institutional attribution here, per participant requests. The survey was administered jointly by the Independent Evaluation Office (IMF) and the Evaluation Department (EBRD).

N/A = Not applicable. DK = Don't know.

**Table A I.b. Evaluation Policies at International Organizations: A Snapshot Comparison of Self-Evaluation Elements**

	Policy Description	Role of Self-Evaluation	Assignment of Roles and Responsibilities for Self-Evaluation	Self-Evaluation Outputs and Preparation Guidelines	Connection Between Independent and Self-Evaluation
<b>ADB<sup>1</sup></b>	Not free-standing; policy and operational procedures contained in Operational Manual.  Includes independent and self-evaluation.	Along with independent evaluation, to improve the design and execution of future operations and activities and to revise policies and business processes.	<i>Operational departments</i> conduct self-evaluations and notify management and the Executive Board.	Self-evaluation is included in project completion reports (or equivalent) prepared for all public sector, non-sovereign, and technical assistance operations. Self-evaluations (reviews) also undertaken for some country and regional partnership strategies and policies and procedures.  Self-evaluation reports should assess operations and evaluate the adequacy of preparation, design, appraisal, and implementation arrangements, as well as the performance of consultants, contractors, suppliers, borrower, client, or executing agency (if any), and the ADB overall.	Two-tier approach to evaluating implementation performance and effectiveness: (1) operational departments undertake self-evaluation of projects and other activities; and (2) the ADB Independent Evaluation Department (IED) validates self-evaluations, as well as undertakes independent evaluations.  IED also comments as a peer reviewer on major draft project and policy operations documents.
<b>EBRD<sup>2</sup></b>	Free-standing Board-approved policy.  Includes independent evaluation and self-evaluation.	The inter-related self- and independent evaluation system is intended to contribute to superior institutional performance by providing an evidence-based and independent assessment relative to objectives.	<i>Executive Board</i> establishes the Bank's evaluation policy and oversees its implementation; has the discretion to request reports from management; and assesses whether evaluation findings have been adequately taken into account.  <i>Management</i> is responsible for establishing an effective system of self-evaluation. This includes ensuring that relevant evaluation findings and lessons are adequately reflected in documents for Board consideration.	All operations are self-evaluated when deemed ready by the (independent) Evaluation Department (EvD) and management following agreed guidelines.	EvD is responsible for setting policies and overseeing the EBRD's overall evaluation program (self- and independent evaluation). This includes disseminating findings and maintaining a database of lessons, training EBRD staff in self-evaluation, and encouraging use of evaluation findings.  EvD also tasked with validating self-evaluation, or undertaking independent evaluation, of a sample of operations, selected to yield statistically sound and credible results.

(Continued)

Table A I.b. (continued)

	Policy Description	Role of Self-Evaluation	Assignment of Roles and Responsibilities for Self-Evaluation	Self-Evaluation Outputs and Preparation Guidelines	Connection Between Independent and Self-Evaluation
<b>IFAD<sup>3</sup></b>	Free-standing Board-approved policy.  Focuses primarily on independent evaluation; also includes self-evaluation.	The purpose of the self-evaluation system is to ensure performance assessment and generation of lessons.	<i>Management</i> is responsible for the self-evaluation system; the Program Management Department takes the lead in executing this work. Management produces an Annual Report on IFAD's Development Effectiveness, which is discussed by the Evaluation Committee and Executive Board.	The policy calls for review of all country programs and projects financed by IFAD.	The policy specifies that self-evaluation is essential to facilitate independent evaluations by IFAD's Independent Office of Evaluation (IOE). Management and IOE use the same evaluation criteria, questions, and ratings system.  The policy also calls for IOE to assess the design and functioning of the self-evaluation system and for IOE to comment on IFAD's Annual Report on Development Effectiveness.
<b>UNDP<sup>4</sup></b>	Free-standing Board-approved policy.  Policy covers both independent evaluation and self- ("decentralized") evaluation.	To generate information to be used for evidence-based decision-making.	<i>Senior managers</i> of bureaus and offices managing programs are responsible for: developing an evaluation plan, working with other stakeholders; drawing on evaluation findings to improve the quality of programs; and promoting organizational learning through analysis and application of evaluation findings across regions, themes, and results areas.  <i>The Administrator</i> of UNDP is responsible for overseeing self-evaluation; preparing a management response to self-evaluations; promoting utilization of lessons; and ensuring appropriate follow-up.	Plans prepared by bureaus/offices should provide for decentralized self-evaluation of an appropriate mix of global, regional, country and thematic evaluations, as well as those required by external partnerships.  These self-evaluations should together provide sufficient coverage of programmatic activities, address all outcomes in the program document, and produce evaluative evidence to inform decision making and support accountability and learning.	The Evaluation Office of UNDP is the custodian of the evaluation function (independent and self-/decentralized evaluation). It sets standards for decentralized evaluations; maintains depository of evaluation resources; disseminates methodology and good practices; and supports a network of evaluation practitioners.
<b>World Bank<sup>5</sup></b>	Not free-standing; included in operational policy and procedures manual.  Covers self-evaluation ("monitoring and evaluation") as well as independent evaluation.	Monitoring and evaluation provides information to verify progress toward and achievement of results, supports learning from experience, and promotes accountability for results.	Staff must take into account the findings of relevant monitoring and evaluation reports in designing the Bank's operational activities.	The policy provides for monitoring and evaluation of results of country assistance strategies, sector and thematic strategies, financing operations, and analytic and advisory services. Policy provides links to guidelines for the evaluation of lending and financing operations.	The policy provides for validation of self-evaluations by the Independent Evaluation Group (IEG), which also undertakes independent assessments of operational activities. Policy also requires IEG to appraise World Bank self-evaluation and risk-management systems.



Table A I.b. (concluded)

	Policy Description	Role of Self-Evaluation	Assignment of Roles and Responsibilities for Self-Evaluation	Self-Evaluation Outputs and Preparation Guidelines	Connection Between Independent and Self-Evaluation
<b>WHO</b> <sup>6</sup>	Free-standing Board-approved policy.	To ensure accountability and oversight for performance and results, and reinforce organizational learning in order to inform policy for decision makers and to support individual learning.	<p><i>Executive Board</i> sets policy, provides oversight of the evaluation function, and approves biennial work plan (in consultation with senior management). It also has the discretion to commission an evaluation of any part of WHO.</p> <p><i>Office of Internal Oversight</i> is the custodian of the evaluation function. It manages evaluation across the organization, including by developing the biennial work plan; guiding preparation of evaluations; maintaining a tracking system for findings and lessons; and building capacity among WHO staff for the conduct of evaluations.</p> <p><i>WHO Secretariat</i> commissions evaluations.</p>	Thematic evaluations focus on selected topics, such as a new way of working, a strategy, cross-cutting theme, or core function; programmatic evaluations assess how and why results and outcomes have been achieved over several years in a country, region, or at the global level; office-specific evaluations focus on work in a country, region, or at headquarters.	Not applicable.

ADB=Asian Development Bank; EBRD=European Bank for Reconstruction and Development; IFAD=International Fund for Agricultural Development; UNDP=United Nations Development Programme; WHO=World Health Organization.

<sup>1</sup>*Operations Manual Bank Policies (BP) and Operational Policies (OP)*, OM Section K1/BP and OM Section K1/OP, issued October 1, 2013. See also *Review of the Independence and Effectiveness of the Operations Evaluation Department*, ADB Policy Paper, November 2008.

<sup>2</sup>*Evaluation Policy*, EBRD Policy Document, Approved by the Board January 16, 2013.

<sup>3</sup>*Evaluation Policy*, IFAD, May 2011.

<sup>4</sup>The Evaluation Policy of UNDP, DP/2011/3, November 15, 2010.

<sup>5</sup>OP13/60 – Monitoring and Evaluation, Revised April 2013.

<sup>6</sup>WHO reform: Draft formal evaluation policy, EB131/3, May 3, 2012.

## ANNEX 2

# Evaluation Questions, Methods, and Sources of Evidence

This IEO evaluation set out to assess the relevance, quality, and utilization of self-evaluation in the IMF. The focus of utilization was on learning and improved institutional effectiveness, and in some cases also on accountability.

### Evaluation Questions

- What provisions exist for self-evaluation in the IMF? Are assessments done in a systematic way in terms of methods and periodicity? How are findings documented? Are systems in place to draw conclusions and lessons that can be used to improve future work? How do the provisions in the IMF compare to those in other IFIs?
- What are the provisions for self-evaluation of the IMF's core functional areas (surveillance, lending, and capacity building)? What has been the experience to date with self-evaluation in each of these areas?
- Are self-assessments undertaken within each department? At the departmental level, are assessments done in a systematic way in terms of methods and periodicity? How are findings documented? Are there systems to draw conclusions and lessons that can be used to improve future work? What mechanisms exist to incorporate these lessons into operational work? How is this monitored? Are informal systems in place that play a similar role to formal self-evaluation processes?
- With respect to specific IMF supported-programs, what has been the experience with EPAs and EPEs? Who conducts these evaluations? How are objectivity and quality being assured? How well do the evaluations cover different aspects of program engagement? Do the evaluations distill meaningful lessons for IMF operations? What systems are in

place to ensure that lessons are being incorporated in future programs?

- To what extent and in what way do thematic reviews engage in self-evaluation of IMF strategies, policies, or practices? What systems are in place to disseminate and follow up on lessons distilled through these exercises?
- What types of self-evaluation is undertaken for the IMF's capacity-building activities, specifically technical assistance (TA) and external training? What systems are there for dissemination and follow up of lessons?

### Evaluation Methods

The IMF does not have an institution-wide policy for self-evaluation or a formal, institution-wide self-evaluation system. Thus, the IEO defined a paradigm against which to assess each product or process evaluated with respect to coverage, quality, and utilization. Also, the IEO assessed compliance in those cases where there were specific guidelines (such as for EPAs and EPEs).

### Evaluation of EPAs and EPEs

The IEO undertook a desk review of the 49 country self-evaluations undertaken between August 2005 and December 2013, including 3 Joint EPA/EPE reports and 7 EPA updates (see [Table 2](#) in the main report). Thirty of these reports covered programs primarily under concessional facilities (the Poverty Reduction and Growth Facility and the Extended Credit Facility) and 19 covered programs under the General Resources Account.

Each self-evaluation report was rated on the quality of the assessment according to a series of criteria covering the following broad headings: (i) the rationale for IMF program involvement; (ii) program design;

(iii) effectiveness of IMF involvement, including the appropriateness of conditionality; (iv) forward-looking strategy; and (v) overall judgment on the report, including the extent to which it identified clear lessons (see [Annex 1](#) of Goldsbrough, 2015 for the full set of assessment criteria). A four-point scale (“not discussed,” “weak,” “adequate,” and “very good”) was used to rate how well the reports performed under each criterion. In order to maximize the scope for comparisons, the criteria were designed so that most were applicable to both EPAs and EPEs, but some were applicable to only one type of report, reflecting specific mandates in their respective guidelines. The extent of any disagreements with the authorities or within the IMF Board (based on a review of the contents of the Summing Up) was also considered. The desk review could not assess whether particular judgments made in the reports were correct—since this would require a separate country evaluation—but focused on how well particular issues were explored, the quality of the supporting analysis, and the clarity of the lessons drawn.

Structured interviews were also conducted with senior Staff in area and functional departments involved with the EPA and EPE exercises as well as with a number of evaluation team leaders. The interviews were based on a standard set of questions sent in advance that covered (i) the usefulness of the EPA and EPE exercises as tools for internal self-evaluation and learning as well as areas for improvement; (ii) appropriateness of the country coverage; (iii) independence of the evaluation teams; and (iv) arrangements for following up on lessons generated by the evaluations.

## Evaluation of policy and Thematic Reviews

The IEO undertook a desk study of 23 policy reviews and 35 thematic reviews that were conducted during 2006–13. The sample comprises about 110 documents, including background papers. Policy reviews are those so identified by the IMF in Table 4 of IMF (2015); however, the desk study excluded reviews in this list that clearly addressed technical issues of IMF financial policy and thus would not be expected to include self-evaluation—such as general reviews of quota and annual reviews of the IMF’s strategy on overdue financial obligations. The study is discussed in detail in Stedman (2015), and the full list of documents in the sample is provided in [Annex 2](#) of that paper.

First, the objectives and terms of reference of each review were assessed to determine whether self-evaluation

was undertaken by design, as an explicit part of the review. Those that set out to assess, evaluate, or review the effectiveness or adequacy of an IMF policy, instrument, or activity were considered to incorporate self-evaluation as an explicit part of their purpose.

Each review was then assessed to determine whether it included each of the following aspects of self-evaluation: (i) presented evidence about past experience, for example, in terms of compliance with policies or the quality of activities or products; (ii) conducted analysis in order to reach conclusions about the effectiveness of policies, practices, inputs, outputs, or outcomes; (iii) drew lessons from this analysis; and (iv) incorporated these lessons in its proposals for future policies or operations. To assess utilization, consideration was given to whether lessons led to policy or operational reforms. To understand the focus of self-evaluative work, each review was examined to assess the extent to which it addressed institutional issues, such as the effectiveness of a facility or the consistency of program conditions, as opposed to Staff practices in executing the institution’s work, such as how Staff engaged with authorities.

## Evaluating Self-Evaluation of Capacity Development

The IEO examined the self-evaluation of IMF capacity-development activities in the period 2006–13. It assessed the mechanisms in place for self-evaluation of technical assistance (TA) and training to determine the degree to which assessments addressed the relevance, effectiveness, and impact of these activities.<sup>1</sup>

- Relevance refers to the extent to which the TA/training is suited to the priorities and policies of the recipient countries and the IMF.
- Effectiveness refers to the quality of the TA/training output (i.e., whether the TA/training is designed well and delivered effectively, including through interaction and/or collaboration with country authorities and donors) as well as the TA/training outcome (i.e., the extent to which the TA/training improved the knowledge of the recipients).

<sup>1</sup>This approach is based on the standard principles for evaluating development assistance developed by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC); see <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>. The OECD-DAC principles include two other criteria—efficiency and sustainability—that are less directly relevant to the IMF.

- Impact refers to changes or effects resulting from the TA/training. Impact usually unfolds in stages, with the first stage being the extent to which the TA/training recipients make use of their increased knowledge and the final stage being the impact on macroeconomic performance resulting from recipients' use of this knowledge.

In September 2014, the Board approved a statement of policies and practices with regard to the delivery of capacity development activities, including monitoring and evaluation. This statement could be considered as a benchmark for assessing the self-evaluation of capacity development going forward.

### Sources of Evidence

The IEO gathered information through reviews of documents from the IMF and other international organizations; and past IEO evaluations; interviews; and

surveys. It conducted semi-structured interviews with senior IMF officials in all area and functional departments and with a random sample of 44 IMF staff in grades A13–A15; and it interviewed Executive Directors from 21 constituencies. The evaluation team also conducted a survey of IMF staff.<sup>2</sup> Information on other international financial institutions was gathered by reviewing publicly available information as well as by surveying and interviewing senior Staff of the evaluation offices in these organizations. Background Papers were prepared on three topics: assessments of IMF-supported programs; self-evaluation of policies and other institution-wide issues; and the procedures in place for self-evaluation of capacity building activities. The team also consulted with evaluation experts, officials from member countries, and former senior IMF staff through interviews, workshops, and seminars.

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<sup>2</sup>The results of IEO survey of IMF staff are summarized in Background Document 1, which also includes sample questionnaires used for interviews.

## Abstracts of Background Papers

### **BP/15/01, “Review of Ex Post Assessments of Countries with Longer-Term Program Engagement and of Ex Post Evaluations of Exceptional Access Arrangements,”** by David Goldsbrough

This paper assesses the quality and effectiveness of two types of country-specific self-evaluations: ex post assessments of longer-term program engagement and ex post evaluations of exceptional access arrangements. It finds that these reports were better at assessing details of the program design and implementation than at questioning fundamental assumptions underlying the overall strategy and considering possible alternative approaches. The paper analyzes how well these evaluations discussed the rationale for the program, the adjustment/financing mix, macroeconomic and structural challenges, the appropriateness of macroeconomic and structural conditionality, and forward-looking strategies. It discusses the clarity and quality of lessons; Staff views and practices regarding the conduct and use of these evaluations; and the system for follow-up of lessons and recommendations. It also provides background on related policies and guidelines for conducting these reviews.

### **BP/15/02, “Self-Evaluation in IMF Policy and Thematic Reviews,”** by Louellen Stedman

This paper examines the extent to which IMF reviews of institutional policies and operations incorporate self-evaluation. Covering the period 2006–13, it discusses findings for a broad sample and examines seven reviews in more detail. The paper finds that self-evaluation was

an explicit part of the objectives or tasks for more than half of policy reviews and about one-fifth of thematic reviews in the sample. Even if they did not set out to do so, a large majority of periodic policy reviews and about half of the other thematic reviews in the sample incorporated elements of self-evaluation. The paper recommends that the IMF give more importance to self-evaluation in its key thematic reviews, emphasizing the distillation of lessons learned. The IMF could consider setting out indicative examples or best practices for self-evaluative reviews. Given the recent decision to move many policy reviews to an as-needed basis, the IMF should also take steps to ensure that self-evaluation takes place on a regular basis, to facilitate learning and to enhance the IMF’s effectiveness.

### **BP/15/03, “Self-Evaluation in the Areas of Technical Assistance and Training,”** by Marcelo Selowsky and Ling Hui Tan

This paper examines how well the IMF self-evaluates technical assistance (TA) and training with respect to relevance, effectiveness and impact. It finds that the relevance of TA is assessed through contacts with country authorities, TA donors, stakeholders, and regular consultations between TA and area departments. Likewise, the paper finds that training is assessed through surveys of participants and sometimes their agencies. The paper finds that the impact of TA, however, is the most difficult and least well covered aspect of TA evaluation; and that assessing outcomes and impact is even more challenging for training than it is for TA. The paper offers recommendations to help fine-tune the evaluation systems.

## Informal Self-Evaluation at the IMF

As part of the broader evaluation, the IEO examined informal self-evaluation practices and activities at the IMF.<sup>1</sup> The term “informal self-evaluation” is used to describe processes and outputs that were not mandated by or formally shared with the Board.

The IEO found that a substantial amount of informal self-evaluation took place at the IMF. Practices within and across departments varied widely and spanned a broad range of activities, such as Staff or Management-initiated working groups, task forces or communities of practice discussions; post-concluding Article IV surveillance or program mission debriefings; meetings to discuss the effectiveness of activities; retreats; one-off Staff-to-Staff conversations; and efforts to seek input from external stakeholders. Informal self-evaluation covered a diversity of policy issues and operational topics, such as exchange rates, capital flows, small island states, and knowledge management.

Informal self-evaluation most often occurred at the division and team level where it was widespread, according to interviews with a random sample of mid-level Staff. This was corroborated by the IEO survey of IMF staff for this evaluation, in which nearly 60 percent of respondents reported that they had “frequently” or “occasionally” engaged in division- or team-level informal self-evaluation. The survey also found that senior Staff (B-level) and those at the IMF for more than five years had participated in informal self-evaluation at a higher rate than relatively junior and less experienced Staff.

Some post-activity team discussions took place in nearly all area and functional departments. Interviewees cited examples of such discussions following lending program, Article IV, and Financial Sector Assessment

Program missions; following the production of flagship reports (*Fiscal Monitor*, *Global Financial Stability Report*, and the *World Economic Outlook*); and following World Economic and Market Developments presentations.

Some departments reported broader efforts to reflect on experience across their work program and to draw lessons for future work. Examples included seminars and stock-taking exercises that sought to learn from successes and failures; more established or ongoing arrangements, such as weekly meetings; and consultative advisory groups and study groups.

Some departments also sought outside perspectives on their work. In particular, periodic assessments by external experts were commissioned to assess the accuracy of *WEO* forecasts. Other examples included maintaining an external advisory group and contracting survey firms to gauge opinions about IMF work. Staff from a number of departments noted that they sought feedback from authorities, whether during missions, at IMF Spring and Annual Meetings, or through systematic or ad hoc surveys. One department reported drawing on IEO evaluation reports to identify lessons for Staff. The IMF also held a series of regional conferences to discuss lessons of experience in country programs that could be helpful for the broader work of the IMF (Reykjavík, 2011; Riga, 2012; and Dublin, 2014).

Informal self-evaluation activities contributed to learning. Nearly all interviewees believed that these activities had been useful in their own work, had contributed to improving processes and outcomes, and had enhanced learning. Only a handful believed that these activities were not worthwhile; some pointed out that their outcomes depended on individual or team personalities. A number of interviewees noted that they independently sought out prior lessons-focused outputs when rotating into a new position; others described personal interactions with colleagues as opportunities to consider lessons learned from past work. Several Staff emphasized, however, that the potential for informal learning from experienced Staff had been greatly

<sup>1</sup>Evidence was gathered from the IEO survey of IMF staff conducted for the evaluation; interviews with the heads of all functional departments covered by the evaluation and with a random sample of A13–A15 mid-level Staff; and internal information repositories and departmental and IMF-wide Intranet sites.

reduced as a result of the 2008–09 IMF “downsizing” exercise. Interviewees from several departments pointed at efforts to disseminate lessons from informal self-evaluation among teams and, to a lesser extent, within departments.

Working groups shared lessons with Management or senior Staff through reports and working papers, as well as IMF-wide through posting internal website articles. Many interviewees noted, however, the inherent limitations to disseminate lessons from informal self-evaluation.

Overall, interviewees believed that there is scope for better integration of informal self-evaluation lessons in the work of the institution. In particular, many highlighted that more consistent practices of documenting lessons from missions would be useful, as this could benefit successor teams and others within and beyond the department. They considered this particularly important now that the practice of preparing detailed meeting minutes during missions has been discontinued.

## Past IEO Findings on Learning from Experience in the IMF

Past IEO evaluations have presented a range of findings and conclusions on the issue of learning from experience at the IMF. These include the following.

- IMF-supported programs reflected many lessons from past crises and helped member countries cope with the global financial and economic crisis. With regard to risk assessment, however, Staff did not appear to look back to assess whether risks did or did not materialize, and to draw relevant lessons (*IMF Response to the Financial and Economic Crisis*, IEO, 2014c).
- A framework of reviewing and monitoring recurring issues would be useful in providing learning opportunities for the IMF (*Recurring Issues from a Decade of Evaluation*, IEO, 2014b).
- Learning from experience took place at many levels, individually and institutionally, formally and informally, routinely, and in response to significant failures. Procedures were in place to learn from past forecast performance but they were not always utilized to their full potential. The IMF regularly commissioned outside studies to assess *World Economic Outlook* forecast accuracy, but it lacked a fully developed process for disseminating and implementing the resulting recommendations. Country desk economists did not always effectively transmit relevant experience to their successors (*IMF Forecasts*, IEO, 2014a).
- Long-standing institutional and cultural issues caused the IMF to fall short in warning member countries about risks to the global economy and the buildup of vulnerabilities in their own economies, despite past lessons about crisis prevention (*IMF Performance in the Run-Up to the Financial and Economic Crisis*, IEO, 2011a).
- Staff believed there were insufficient structured learning activities for sharing with colleagues particular challenges they had faced and innovative solutions (*IMF Interactions with Member Countries*, IEO, 2009).
- The IEO's assessment of whether structural conditionality in IMF-supported programs was effective was complicated by the lack of an agreed framework to assess results and accountability and a consequent lack of information. The IMF should develop a monitoring and evaluation framework linking conditions in each program to reforms and specified goals. This would provide a more robust basis for monitoring the implementation and evaluation of programs, as well as facilitating learning on what works and what does not (*Structural Conditionality in IMF-Supported Programs*, IEO, 2007).



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**Statement by the Managing Director**

**IEO Response**

**The Acting Chair's Summing Up**

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**STATEMENT BY THE MANAGING DIRECTOR  
ON THE INDEPENDENT EVALUATION OFFICE REPORT ON  
SELF-EVALUATION AT THE IMF:  
AN IEO ASSESSMENT**

**Executive Board Meeting  
September 18, 2015**

*I would like to thank the Independent Evaluation Office (IEO) for preparing this useful report, which assesses self-evaluation conducted by the IMF. I welcome the report's findings that there is considerable self-evaluation at the IMF; that such self-evaluation is generally of high quality; and, that it contributes usefully to reforms in policies and operations.*

*The thrust of the report's recommendations to strengthen the institutional framework for self-evaluation, adapt it over time to changing circumstances, and better disseminate lessons from self-evaluation are well taken. I believe, however, that there is considerable scope to address these recommendations by refining and building on existing processes and initiatives already underway rather than by introducing substantial new architecture. I see limited value added relative to the costs in following through with the report's two other key recommendations; namely, to conduct self-assessment for every IMF-supported program and to set out plans ex ante to self-evaluate every policy and thematic review.*

Overall, the IEO report finds that considerable self-evaluation takes place at the IMF and that many of these activities and reports are of high technical quality. These findings are reassuring. The report notes that the IMF does not have an explicit over-arching framework or policy to establish what needs to be evaluated and how, who is responsible, and how follow up is to be conducted. Despite the absence of such an over-arching framework, the report finds that the flexible approach taken to self-evaluation to date has generally served the Fund well, with self-evaluation integrated with the institution's broader policy work, its lessons feeding into the design of operations, and self-evaluation outputs and practices evolving as the IMF's work and priorities changed.

Against this background, I see limited value in adopting a broad policy to establish an explicit, institution-wide framework for self-evaluation in the IMF that is

subject to review every few years (recommendation 1). Any such statement of principles on the "goals, scope, outputs, utilization, and follow up" would have to be general, as the report rightly notes, to allow self-evaluation products and practices to continue to evolve with the policy and operational environment. I am concerned that this same level of generality would, however, render the new policy largely inefficacious in materially improving self-evaluation. On the other hand, a policy that is excessively detailed and prescriptive could introduce undesirable rigidity as to when and how the Fund conducts self-evaluation.

Rather, efforts to improve self-evaluation should be continuous and build on the multi-faceted processes and infrastructure for self-evaluation that already exist at the IMF. The Strategy, Policy, and Review Department, the Office of Internal Audit, as well as the multi-step cross-departmental review processes for policy, surveillance documents, and program reviews are an integral part of this infrastructure. Similarly, human resource, budget, and audit functions, which are excluded from the scope of the report, play a critical role in enhancing the effectiveness, learning, and accountability of duties performed by Fund staff. More generally, the IMF's institution-wide strategic planning framework, starting from the Global Policy Agenda, and embodied in the Accountability Framework, seeks to assess progress made on the institution's strategic and operational priorities, identify gaps from a holistic assessment of challenges facing the institution, and review performance against objectives set.

In light of this, I see scope to build on the existing self-evaluation processes and infrastructure, which reflect the Fund's work and operational needs, to further strengthen the self-evaluation function (recommendation 1) and better distill and disseminate lessons from self-evaluation (recommendation 4). The current effort to build a common evaluation framework for the Fund's

capacity development activities is an initiative that is already going in this direction.

The report recommends a significant expansion of the scale and scope of self-evaluation in certain specific areas that I cannot support. The recommendation to conduct self-assessments for every IMF-supported program (recommendation 2) does not adequately take into account resource-related tradeoffs. Similarly setting out a plan *ex ante* for how the self-assessment of every policy and thematic review should be conducted (recommendation 3) risks turning self-assessment into a routine, box-ticking exercise divorced from new and rapidly evolving challenges that the institution should adapt to instead.

The quarterly or semi-annual Executive Board reviews of all Fund-supported programs already have both forward-looking and backward-looking components, with reviews serving to adjust programs based on lessons learned. These Board reviews further provide ample opportunities for country authorities to express their views. The lessons learned in all of these circumstances will continue to be supplemented by: (a) cross-cutting in-depth reviews of programs conducted in the context of policy and thematic work, including crises program reviews, conditionality reviews, or reviews of the IMF's engagement with specific country groups such as fragile and small states; (b) the process that will replace EPAs, whereby the staff report of a new program

request will contain a succinct, peer-reviewed assessment of the previous program; and (c) the continuation of EPEs. Thus, considerable self-assessment of programs will already be taking place.

Any consideration to expand self-assessment of programs further needs to remain mindful of budget realities, which featured prominently in the Board's recent decision to discontinue EPAs and to revise the approach to policy reviews. Given that any additional processes or layers of self-assessment will likely generate limited additional gains relative to large resource costs, I cannot support recommendation 2. We will, of course, continue to review the effectiveness and scope of self-assessment procedures and adjust them as and when warranted.

I agree on the need to plan on how policies and operations covered by policy and thematic reviews will be evaluated. However, carving out and solidifying specific modalities years in advance, irrespective of evolving priorities and changing circumstances that are likely to materially impact on how the evaluation is best conducted is unlikely to be a very useful exercise. Rather, the plans should be integrated with the Fund's overall planning framework and work program and adapted to take into account the changing needs and challenges facing the institution. Management and staff are already committed to doing this and, therefore, in this light, I do not support recommendation 3.

**Table I. The Managing Director's Position on IEO Recommendations**

Recommendation	Position
1) <b>Institutional framework.</b> The IMF should adopt a broad policy or general principles to establish an explicit, institution-wide framework for self-evaluation in the IMF (including its goals, scope, outputs, utilization, and follow up). It should then conduct a periodic review of this function as a basis to adapt the policy to changing circumstances.	Qualified Support
2) <b>Self-assessment of programs.</b> The IMF should conduct self-assessments for every IMF-supported program. The scope and format of these assessments could vary across programs, but it is critical that country authorities be given the opportunity to express their views on the design and results of each program as well as on IMF performance	No Support
3) <b>Self-assessment of policies and other institution-wide themes.</b> Each policy and thematic review should explicitly set out a plan for how the policies and operations it covers will be self-evaluated going forward.	No Support
4) <b>Distilling and disseminating self-evaluation lessons.</b> IMF Management should develop products and activities aimed at distilling and disseminating evaluative findings and lessons in ways that highlight their relevance for Staff work and that facilitate learning.	Support

## **IEO RESPONSE TO THE STATEMENT BY THE MANAGING DIRECTOR ON THE REPORT ON SELF-EVALUATION AT THE IMF: AN IEO ASSESSMENT**

**Executive Board Meeting  
September 18, 2015**

The IEO welcomes Management’s concurrence on the need to strengthen the IMF’s institutional framework for self-evaluation, adapt it over time to changing circumstances, and better disseminate lessons from self-evaluation. However, we note Management’s qualified support for adopting a broad policy or general principles that would establish an explicit institution-wide framework for self-evaluation, and its lack of support for conducting self-assessments for every IMF-supported program and for setting out in future reviews how policies and operations would be evaluated going forward.

While acknowledging the need to strengthen the IMF’s institutional framework for self-evaluation, Management qualified its support for adoption of a broad *self-evaluation policy*, explaining that a general policy would have limited value-added. The IEO believes that a policy establishing what needs to be evaluated and how, who is responsible for these evaluations, and how they should be followed up, would be very valuable for the IMF and its members. Such a policy would:

- Ensure that self-evaluation practices reflect a strategic assessment of learning and accountability priorities;
- Signal to the membership, Staff, and external stakeholders the IMF’s commitment to a culture of learning and transparency;
- Embed self-evaluation in institutional policies and practices, thereby helping to protect self-evaluation from being cut or modified without a debate on the implications on learning, transparency, and accountability; and
- Help ensure that learning from experience is done as an explicit and conscious activity, which is a more effective way of learning.

The IEO emphasizes the importance of a requirement to *conduct self-assessments for every IMF-supported*

*program*—the usual practice in other IFIs—and that country authorities be given the opportunity to express their views on the design and results of each program as well as on IMF performance. Management did not support this recommendation because of concerns about resource implications. Management also contended that quarterly and semi-annual reviews already have backward-looking components and provide ample opportunities for country authorities to express their views.

IEO’s recommendation to assess, at least as part of country team practices, all IMF-supported programs after their completion is based on the following considerations:

- The IEO believes that the benefits—including enhanced effectiveness as well as learning, transparency, and accountability—are substantial relative to the costs of preparing these assessments. Indeed, the evaluation found that the lessons from EPAs and EPEs were taken into account in designing subsequent programs and also were used by Executive Directors in overseeing these programs.
- Self-assessments would help the IMF fulfill its fiduciary responsibility to report to its members, both borrowers and creditors, what has been accomplished with IMF resources. While the IMF’s mandate differs from that of other IFIs, the need for IMF transparency and accountability is the same. Moreover, the IMF has the same potential as other organizations for learning lessons and improving on lending programs, policy advice, and capacity-building activities.
- Self-assessments would provide a basis for drawing lessons on how to improve program design, as well as country and IMF performance.
- The IEO maintains that the quarterly and semi-annual reviews of programs are not a substitute to self-evaluation at the completion of a program. The statements of borrowing countries and other

members during these reviews focus on whether the conditions for disbursement have been met and possibly on the need to adjust the targets and conditions for future reviews. These statements and the reviews themselves focus on the country's performance, with little analysis of the performance of the IMF.

- The IEO is also concerned about the risks of not preparing such self-assessments, including the reputational risk in repeating a mistake that would have been highlighted if a prior program would have been evaluated.
- Some mission teams may already reflect in a systematic way on their performance and lessons from completed programs. In those cases, the IEO recommendation would add only a brief documentation of the exercise for the Board and provide an opportunity for authorities from the borrowing country to comment.

There may not be a disagreement regarding *self-evaluation of policies and other institution-wide thematic or operational issues*. Management agrees with the IEO on the need to plan how policies and operations covered by policy and other thematic reviews will be evaluated, while stating that “carving out and

solidifying specific modalities years in advance, irrespective of evolving priorities and changing circumstances that are likely to materially impact on how the evaluation is best conducted is unlikely to be a very useful exercise.” The IEO believes it is essential that the IMF set out what it is trying to achieve by introducing or revising its policies and operational practices, and that it articulate in advance how it will know whether it has been successful. This would require specifying what would constitute success, but not necessarily the methods that would be used in a future evaluation. Beyond its contribution to transparency and accountability, stating the goals and criteria for success of a new or revised policy or practice would add to operational effectiveness by providing Staff a paradigm to adjust its behavior.

Finally, we want to emphasize that we concur with Management that efforts to improve self-evaluation should be continuous and build on the processes and initiatives already underway. Thus, the report's recommendations aim to build on these processes and initiatives while making them more explicit and incorporating them in a more consistent and transparent framework. These recommendations would enhance the IMF's learning culture, provide for greater transparency, and set benchmarks for assessing the institution's effectiveness.



# THE ACTING CHAIR'S SUMMING UP

## INDEPENDENT EVALUATION OFFICE—SELF-EVALUATION AT THE IMF: AN IEO ASSESSMENT

**Executive Board Meeting  
September 18, 2015**

Executive Directors welcomed the report by the Independent Evaluation Office (IEO) on self-evaluation at the IMF, the accompanying statement on the report by the Managing Director, and the IEO's response. They were encouraged by the report's findings that there is considerable self-evaluation at the IMF; that such self-evaluation is generally of high quality; and that it contributes usefully to reforms in policies and operations. At the same time, they also noted the finding that there are gaps and weaknesses in the Fund's self-evaluation. Against this background, Directors considered the recommendations of the report to adopt an overall policy for self-evaluation; conduct self-assessments for every IMF-supported program; explicitly set out a plan for how policies and operations will be self-evaluated; and better disseminate lessons from self-evaluation. In this context, many Directors supported strengthening the current mechanisms for self-evaluation. More broadly, Directors agreed on the importance of having a clearly articulated approach to self-evaluation that builds on current processes, takes due account of resource constraints, and adapts over time to changing circumstances. Directors also concurred on the need to better disseminate lessons from self-evaluation. The implementation plan would be a first opportunity to reflect on how best to carry these considerations forward.

Directors underscored the benefits of taking a strategic approach to self-evaluation in light of its importance in guiding the institution's efforts and promoting a learning culture. They took note of the report's finding that the IMF does not have an institution-wide framework for self-evaluation. Instead, the IMF makes use of a variety of tools and mechanisms that contain an explicit or implicit self-evaluation element. Directors were reassured by the report's finding that this flexible approach for the most part has served the Fund relatively well. Therefore, while a number of Directors saw merit in establishing a new explicit institution-wide framework for self-evaluation, many Directors considered it more useful to build on existing processes to

deliver the necessary strategic approach. Directors agreed that self-evaluation must evolve with the policy and operational environment and that a strategic approach will avoid introducing excessive rigidity as to when and how the Fund conducts self-evaluation. They called for efforts to strengthen self-evaluation to be integrated well into the IMF's institution-wide strategic planning framework.

Directors recognized the importance of drawing lessons from country experiences. In this connection, they noted that the Fund already undertakes a significant amount of self-assessment of programs, including through quarterly or semi-annual Executive Board reviews of Fund-supported programs and cross-cutting in-depth reviews in the context of policy and thematic work. In addition, staff reports for new program requests for countries with longer-term program engagement would contain succinct, peer-reviewed assessments of the previous program; and ex post evaluations (EPEs) of exceptional access programs would continue. Against this background, most Directors felt that expanding such assessments to cover every IMF-supported program would go too far, with some noting that it would likely generate limited value relative to costs, and most pointing out that this would run against resource constraints. These Directors, therefore, favored a more selective, risk-based approach. Some Directors considered that each program provides a valuable opportunity for learning and, therefore, would have preferred assessing a larger number of programs. Directors underscored the importance of better integrating country authorities' views on programs by better utilizing existing mechanisms and using other new approaches.

Directors broadly agreed that in undertaking policy and thematic reviews, it would be important to define at the outset the objectives of the review and what would constitute policy success, without necessarily specifying the means for evaluating the policy. Most Directors did not support spelling out ex ante how the self-assessment of every policy and thematic review should

be conducted, noting that plans for such reviews should, instead, be integrated with the Fund's overall planning framework and work program and adapted to take into account the changing needs facing the institution.

Directors concurred on the importance of distilling and disseminating self-evaluation lessons in ways that highlight their relevance for staff work and facilitate learning. They saw scope in developing products and activities and revamping knowledge management practices aimed

at better distilling and sharing lessons, as recommended by the report.

A number of Directors also supported further reflection on how self-evaluation could strengthen the Executive Board.

In line with established practices, management and staff will give careful consideration to today's discussion in formulating the implementation plan, including approaches to monitor progress.