



THE IMF'S MULTILATERAL SURVEILLANCE

**ISSUES PAPER FOR AN EVALUATION BY THE
INDEPENDENT EVALUATION OFFICE (IEO)**

September 23, 2005

I. INTRODUCTION

1. Surveillance is a core activity of the Fund, which employed 510 staff years of IMF resources in FY2003, and has been addressed in previous IEO evaluations in the context of specific programs, countries or initiatives. The proposed evaluation, however, is the first IEO project to assess an area of IMF surveillance in its own right. It is therefore proper that this issues paper should not only provide the terms of reference for the evaluation but also be explicit in defining surveillance for evaluation purposes and spelling out what an evaluation can or cannot be expected to achieve.

2. This paper is organized as follows. Section II discusses what surveillance is and suggests an operational definition of multilateral surveillance for purposes of the evaluation. Section III defines the parameters of this evaluation by reviewing what previous evaluations have said about multilateral surveillance. Section IV presents the conceptual framework of the evaluation by identifying key surveillance activities and their outputs, proposes some overarching evaluation questions, and sets out the objectives and scope of this evaluation. Section V unbundles the overarching questions into a set of specific issues for which evidence is to be collected. Finally, Section VI outlines the methodology and timeline of the evaluation.

II. DEFINING THE SUBJECT OF EVALUATION

A. What is Surveillance?

3. Article I of the IMF Articles of Agreement proclaims, among the purposes of the Fund, the promotion of “international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems” and the facilitation of “the expansion and balanced growth of international trade,” thereby contributing “to the promotion and maintenance of high levels of employment and real income.” Surveillance, as an activity of the Fund designed to achieve this broad mandate, was only implicit until the Second Amendment of the Articles in 1978, which recognized the right of a member country to choose an exchange rate arrangement of its own liking. With this amendment, “the responsibilities of the IMF changed from those of a guardian of member countries’ observance of exchange rate rules to those of an overseer of individual country exchange rate policy” (Guitian, 1992). Surveillance thus became “a central pillar of IMF activities and responsibilities in the modern era” (Boughton, 2001; also Mussa, 1997).¹

4. Article IV of the amended Articles of Agreement endowed the Fund with the responsibility to “exercise firm surveillance over the exchange rate policies of members,” in order to oversee the compliance of each member with its obligations under the article,

¹ Boughton (2001) further notes that the term surveillance was used for the first time in an IMF document in 1974.

namely, to “collaborate with the Fund and other members to assure orderly exchange arrangements and to promote a stable system of exchange rates.” The Executive Board decision of 1977 (Decision No. 5392, as amended), which took effect when the Second Amendment entered into force in 1978, clarifies the principles underlying this surveillance responsibility:

“The Fund’s appraisal of a member’s exchange rate policies....shall be made within the framework of a comprehensive analysis of the general economic situation and economic policy strategy of the member, and shall recognize that domestic as well as external policies can contribute to timely adjustment of the balance of payments. The appraisal shall take into account the extent to which the policies of the member, including its exchange rate policies, serve the objectives of the continuing development of the orderly underlying conditions that are necessary for financial stability, the promotion of sustained sound economic growth, and reasonable levels of employment.”

5. Despite this broad characterization of surveillance as an appraisal of a member’s economic policies, the specification of what precisely constitutes surveillance has not been made explicit in subsequent IMF documents. Institutional reviews of surveillance have regularly been completed since 1978, but without providing a clear definition of what surveillance is, much less how one can measure the extent to which its objectives are being met. It appears that surveillance is something everybody seems to know but nobody can quite describe. While this ambiguity has allowed the institution to adapt its “surveillance” practices to the changing circumstances, the evaluation would require a clearer, operational definition of surveillance.

6. However one defines surveillance, it is clear that its meaning, as it has evolved over time within the IMF, is multidimensional and covers more than an appraisal of policies. This broader meaning of the term surveillance is captured by the report of a 1999 external evaluation of IMF surveillance (the so-called Crow Report), which defined surveillance as “all aspects of the Fund’s analysis of, scrutiny over, and advice concerning, member countries’ economic situations, policies, and prospects.”² We take this as a reasonable definition of IMF surveillance. The Crow Report then goes on to argue that IMF surveillance aims to pursue the following six overlapping but conceptually distinct objectives or functions:³

² “External Evaluation of IMF Surveillance—Report by a Group of Independent Experts” (EBAP/99/86), July 15, 1999.

³ In commenting on the report, IMF management expressed broad agreement with the report’s characterization of these objectives and stated that the first and third objectives were primary while the others were “implied by the policy advice and information roles.”

- Policy advice
- Policy coordination and cooperation
- Information gathering and dissemination
- Technical assistance and aid
- Identification of vulnerabilities
- Delivering the message

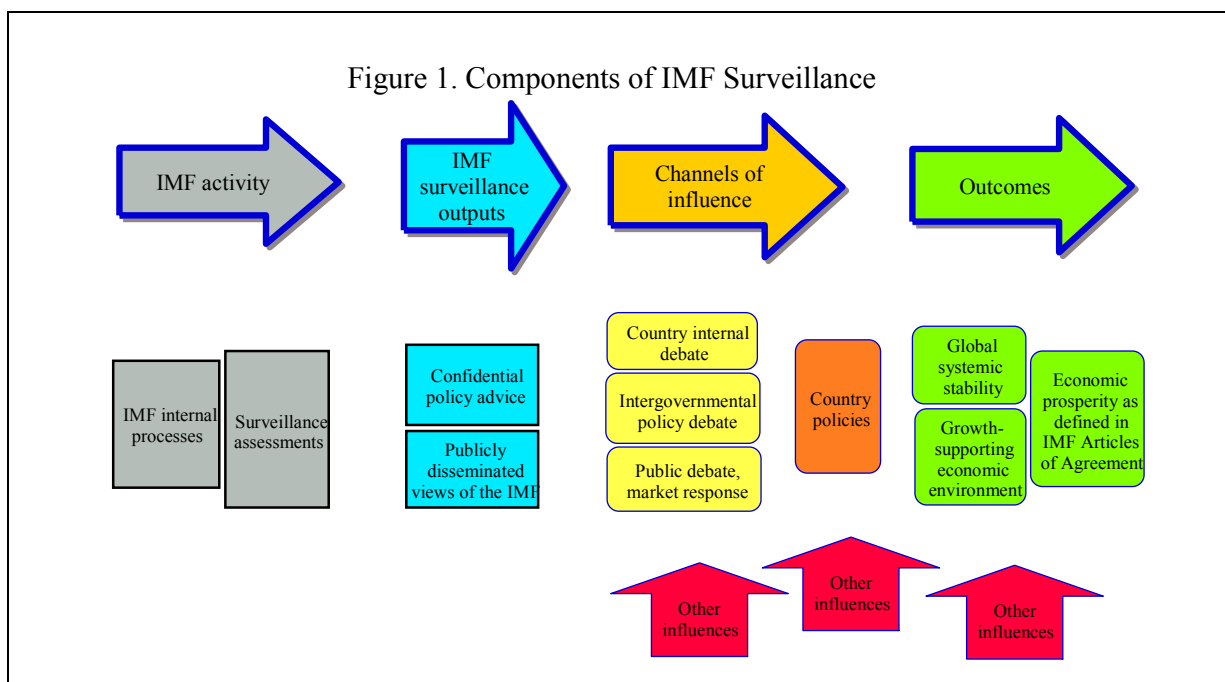
Except for the fourth objective (“technical assistance and aid”), which is more relevant in the case of bilateral surveillance, these objectives or functions of surveillance are also applicable to multilateral surveillance.

7. For evaluation purposes, surveillance can be considered to involve activity, output, and impact (see Figure 1). Activity refers to the IMF’s analytical work and supporting internal processes geared to assessing economic developments and policies in individual countries and their global and regional interactions. Output refers to both its confidential policy analysis and advice and its publicly disseminated views. Impact deals with the influence that may be exerted on the policies of sovereign governments through one or more of the three channels of influence, namely, country internal debate (or domestic decision making process), intergovernmental policy debate, and public debate or market response. In terms of evaluation, our ability to make judgments on the IMF’s surveillance diminishes as we move along the results chain of Figure 1, because a higher stage “event” is subject to a greater number of influences beyond the IMF. When it comes to the final outcome, it is simply not possible to determine whether an activity of the IMF had any—let alone positive—influence.⁴

B. What is Multilateral Surveillance?

8. In practice, surveillance is conducted through various vehicles within the IMF. In Fund terminology, it has been customary to use the expressions *bilateral* and *multilateral* to characterize the two broad categories of surveillance activities. Bilateral surveillance refers to the surveillance of individual countries. It is typically conducted through the periodic Article IV consultation process undertaken by all member countries, and may be complemented by other formal and informal processes directed at individual countries, including program reviews associated with the IMF’s financial assistance, the Financial Sector Assessment Program (FSAP), and technical assistance.

⁴ For a discussion of pitfalls to be avoided in evaluating IMF surveillance, see Duignan and Bjorksten (2005). Attempting to attribute the highest stage outcome to IMF activity, for example, would amount to a “pseudo-outcome evaluation.”



9. Multilateral surveillance, on the other hand, refers to the surveillance of economic linkages between countries and international economic and market developments, including the global implications of policies pursued in individual countries. Its objective is the same as that of surveillance itself—to promote policies that are consistent with the “continuing development of the orderly underlying conditions that are necessary for financial stability, the promotion of sustained sound economic growth, and reasonable levels of employment.”

10. Multilateral and bilateral surveillance are closely linked concepts. Multilateral surveillance often draws on the country-specific information obtained from bilateral surveillance. At the same time, the global and cross-country perspectives obtained from multilateral surveillance should ideally feed back into discussions with individual countries in the context of bilateral surveillance. Although there are clearly identifiable *multilateral* and *bilateral* surveillance activities, simple demarcation between the two is not always possible. As integral parts of the Fund’s overall surveillance function, the distinction between multilateral and bilateral surveillance is largely conceptual, and not necessarily actual.

11. Multilateral surveillance complements bilateral surveillance by bringing into analysis global and cross-country perspectives and overall views of developments in the international economy, including trade and capital flows. There are three channels through which multilateral surveillance enhances bilateral surveillance: (i) at the global level—by directly speaking to global fora or the global market place; (ii) by informing internal decision making in the Fund; and (iii) at the national level—by providing inputs into bilateral surveillance. For each of these channels, effectiveness can be measured in terms of (a) quality of analysis; (b) its delivery; and (c) impact on member countries’ policies.

12. These considerations about multilateral surveillance will inform the present evaluation. We will assess the Fund's multilateral surveillance activities, their outputs, and their effectiveness. We will also assess the impact of the Fund's multilateral surveillance on the policies of member countries, although it must at the outset be acknowledged that such assessment could prove difficult given the presence of multiple influences. A critical focus of the evaluation will therefore be placed on some identifiable multilateral surveillance outputs.

13. Although there is a large number of IMF analytical outputs with a multilateral surveillance dimension, for the purpose of this evaluation, we will consider the following two types of outputs. First, the externally disseminated outputs would include the *World Economic Outlook* (WEO) reports, the *Global Financial Stability Reports* (GFSRs), and the IMF's inputs into the deliberations of the International Monetary and Financial Committee (IMFC), the G7, the G20, Working Party 3 of the Organization for Economic Cooperation and Development (OECD), the Financial Stability Forum (FSF), and other intergovernmental fora. Second, the internal outputs we will consider would include World Economic and Market Developments (WEMD) exercises, vulnerability assessment exercises, and the work of the Coordinating Group on Exchange Rates (CGER). Unlike the case of outputs from bilateral surveillance, in which area departments take the lead, these outputs are produced by the Research Department (RES), International Capital Markets Department (ICM), Monetary and Financial Systems Department (MFD), and Policy Development and Review Department (PDR), with inputs from area departments and other functional departments.

14. It should be noted that not all economic linkages are global. In fact, with increasing cross-border integration of economic and financial activities, regional linkages have assumed greater importance in recent years from the standpoint of individual countries, and regional surveillance has emerged within the Fund as an intermediate concept between bilateral and multilateral surveillance. To the extent that regional surveillance shares with multilateral surveillance the modality of going beyond developments in individual countries to address policy externalities, an examination of it should provide valuable insights and perspectives to some aspects of multilateral surveillance. The evaluation will therefore duly consider regional surveillance particularly as it relates to multilateral surveillance issues.⁵

III. PREVIOUS EVALUATIONS ON MULTILATERAL SURVEILLANCE

15. Surveillance may well be the most frequently evaluated subject within the IMF. In fact, it has been under virtually continuous review since the adoption of the 1977 Surveillance Decision, through both regular and ad hoc processes, including periodic (initially annual, now biennial) reviews mandated by the 1977 decision, frequent internal

⁵ Regional surveillance is an area in which the IMF has taken various initiatives in recent years, including the greater formalization of regional surveillance in monetary unions and the production of various regional economic outlooks.

discussions among the staff, and the 1999 external evaluation.⁶ To help define the parameters of the proposed evaluation, it is useful to establish what previous reviews of surveillance have said about multilateral surveillance in the Fund.

16. It should be noted, however, that multilateral surveillance is of relatively recent origin⁷ and has received far less—though increasing—resources than bilateral surveillance. As noted in the Crow Report, although multilateral surveillance would have been an obvious task for the Fund, given its near universal membership and its role as a vehicle of international monetary cooperation, the Fund’s focus remained on bilateral surveillance.⁸ According to the 2004 Biennial Review, of the 510 staff years of IMF resources devoted to surveillance in FY2003, 83 percent was accounted for by bilateral surveillance and only 17 percent by multilateral surveillance. As expected, previous reviews of surveillance have said far more about bilateral surveillance, and multilateral surveillance as such has received rather limited attention. The focus of the latest Surveillance Guidance Note, issued by PDR in May 2005, also remains on issues related to bilateral surveillance.

17. In preparing this note, we have reviewed the relevant sections of the Crow Report, the 2000, 2002 and 2004 Biennial Reviews,⁹ and two Board papers on surveillance discussed in 2003;¹⁰ the minutes of meetings of the 1989 internal Surveillance Task Force;¹¹ and several

⁶ In addition, other stakeholders have also commented on how to strengthen IMF surveillance at various times. Crockett and Goldstein (1987), for example, review the reports issued in 1985 by the Deputies of the Group of Ten and the Deputies of the Group of Twenty-Four on international financial architecture issues, including IMF surveillance.

⁷ Its flagship vehicle, the *World Economic Outlook*, originated as a staff paper prepared for Executive Board discussion in June 1969 and the WEO exercise remained strictly internal until 1980 (Boughton, 2001).

⁸ This in part followed from the legal basis of bilateral consultations, which derived from Article XIV of the IMF Articles of Agreement that authorized member countries to maintain exchange restrictions subject to the requirement that they held regular consultations with the Fund.

⁹ “Biennial Review of the Implementation of the Fund’s Surveillance and the 1977 Surveillance Decision” (SM/00/40), February 18, 2000; “Biennial Review of the Implementation of the Fund’s Surveillance and the 1977 Surveillance Decision” (SM/02/82), March 14, 2002; and “Biennial Review of the Implementation of the Fund’s Surveillance and the 1977 Surveillance Decision” (SM/04/212), July 2, 2004.

¹⁰ “Enhancing the Effectiveness of Surveillance—Operational Response, the Agenda Ahead, and Next Steps” (SM/03/96), March 14, 2003; and “Strengthening Surveillance—Further Considerations” (SM/03/249), July 14, 2003.

internal memoranda on surveillance. It is striking how frequently the same core group of concerns are emphasized in documents spanning a period of over 15 years. They can be summarized under the following five themes:

- **Insufficient integration of bilateral and multilateral surveillance.** Virtually all documents emphasized the need to improve the cross-fertilization between multilateral surveillance and the bilateral Article IV consultation process. Although there had been progress over time in integrating the quantitative aspects of bilateral and multilateral analysis—with country data bases feeding into WEO projections and country desks making use of WEO forecasts—the latest Biennial Review noted that there was still “substantial room to strengthen the analysis of regional and global spillovers” and staff reports for Article IV consultations contained very little discussion of the impact of global economic conditions and risks.
- **Limited influence of IMF advice on major countries’ policy decisions.** There was recognition that the Fund had only limited impact on the decisions of members, particularly the large industrial countries, leading some (such as the Crow Report) to suggest that multilateral surveillance should therefore focus just on providing objective policy analysis. More substantive participation in relevant fora or the establishment of ad hoc mechanisms for policy discussion was sometimes advocated, in order to increase the policy impact of multilateral surveillance.
- **Focus on the Fund’s core areas of expertise.** There were repeated calls for maintaining multilateral surveillance focused on subjects upon which the Fund has a unique perspective or expertise, e.g., exchange rates, fiscal and monetary policies, and developments in financial markets. The latest Biennial Review in particular emphasized (not just for multilateral surveillance but for surveillance generally) the need for prioritization in the selection of topics in surveillance reports as well as the need for greater integration between financial and macroeconomic surveillance.
- **Need for more frequent analysis and alertness to vulnerabilities.** To keep up with rapidly evolving circumstances, such as the growth of capital flows and the increased trade and financial linkages, there were increasing calls for exercising continuous vigilance through periodic assessments of vulnerabilities. In this context, the Crow Report suggested more frequent dissemination of multilateral surveillance outputs.
- **The appropriate role of the Executive Board.** The external evaluation and several internal memoranda raised questions about the appropriate role of the Board in the multilateral surveillance process. These relate to the issue of how to balance candor

¹¹ The Task Force was appointed by management to provide inputs into the 1990 Biennial Review and met nine times between August and November. In particular, its 5th meeting, held on September 15, 1989, was exclusively devoted to multilateral surveillance.

and individual country interests, the need for confidentiality, and how to ensure timeliness of surveillance outputs.

18. In presenting this overview of the conclusions of previous evaluations on multilateral surveillance, we are not suggesting that no progress has been made to address the recurrent problems.¹² But these are the issues that the institution has been struggling with for a long time and a simple reiteration of earlier recommendations is unlikely to be especially helpful. Rather, this evaluation aims to assess the impact of earlier initiatives in these core areas and, if progress has been limited, to identify the underlying reasons. In this context, it may be worth repeating the recommendation of the 1999 external evaluation that more attention should be given to measuring “the extent to which the specific operational guidance that has been put forward on behalf of the Board is actually followed in Fund consultation reports, and, equally important, if not why not.”

IV. THE CONCEPTUAL FRAMEWORK AND SCOPE OF THE EVALUATION

19. Figure 2 presents a flow diagram of the main links between key surveillance activities and their outputs. This figure is derived from the general schematic representation of IMF surveillance as presented in Figure 1, but is designed to highlight the elements and linkages that are specific to multilateral surveillance.

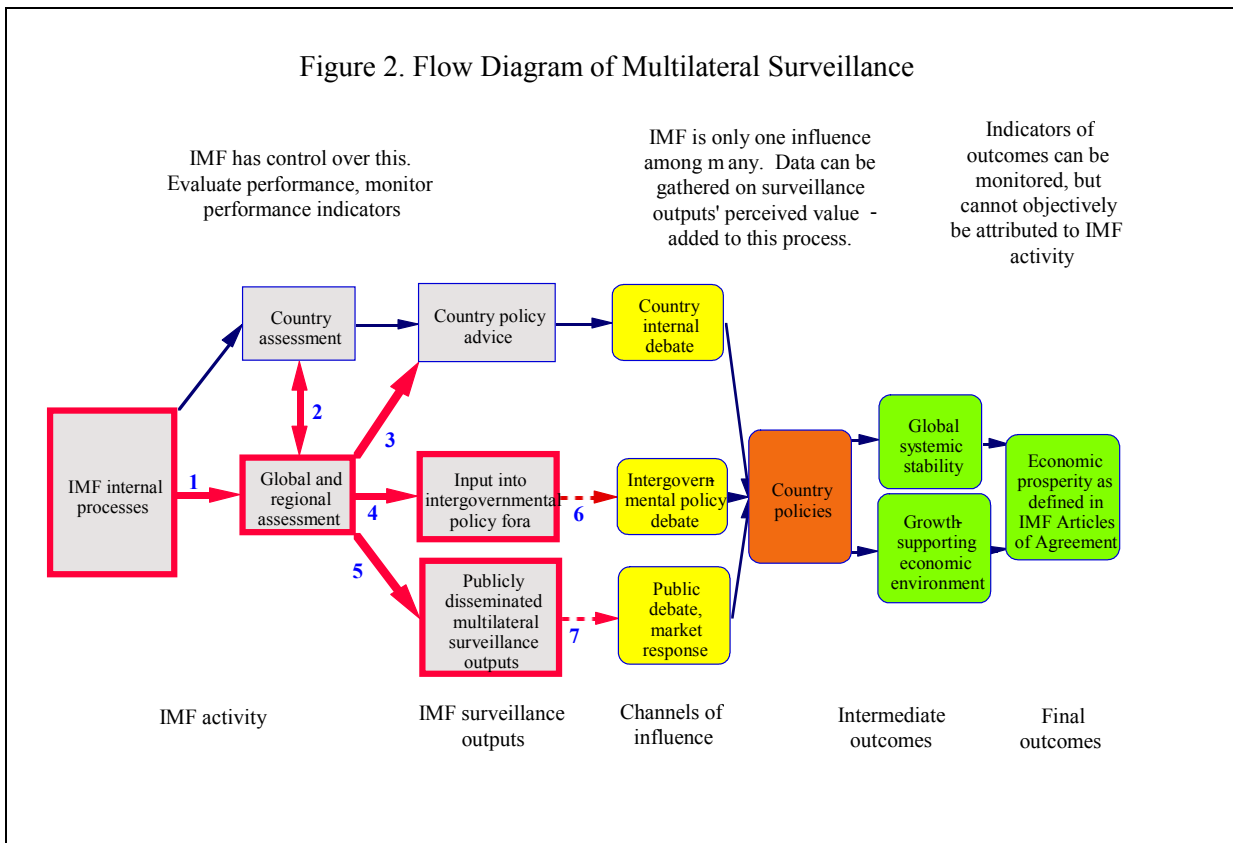
20. The subjects of this evaluation that are directly under the control of the IMF cover the four boxes in the southwest corner of the chart (as designated in red), namely, IMF internal processes, global and regional assessment, input into intergovernmental policy fora, and publicly disseminated multilateral surveillance outputs. These activities and outputs in turn feed into bilateral surveillance as well as into higher stages of the multilateral surveillance outcomes chain.

21. The evaluation will primarily look at the outputs and processes that are included in these boxes and their associated links, as noted above. This schematic presentation naturally suggests the following overarching questions:

- 1. Is the IMF’s internal structure for conducting multilateral surveillance well suited to delivering quality global assessments (First Box and Link 1)?
- 2. Do these assessments cover the right issues (Second Box)?

¹² In fact, the latest Surveillance Guidance Note addresses the issue of cross-fertilization between bilateral and multilateral surveillance, suggesting that Article IV reports should highlight the domestic consequences of global developments and that surveillance in large countries should pay close attention to the systemic impact of their policies.

- 3. How well integrated are the IMF’s bilateral country assessments with its assessments of global linkages and vulnerabilities (Link 2)?
- 4. Do global (and regional) considerations suitably feed into the policy advice that is delivered to individual countries (Link 3)?
- 5. Does IMF participation in relevant international and regional policy fora contribute meaningfully to the multilateral policy debate (Third Box and Links 4 and 6)?
- 6. Does the Fund’s communications strategy allow the delivery of useful messages and information to markets, as well as feed meaningfully into public debate on policy (Fourth Box and Link 7)?



22. The evaluation has the dual objectives of (i) contributing to transparency by showing how multilateral surveillance works in practice and (ii) identifying areas, if any, where improvement can be made to make multilateral surveillance more effective. The practice of multilateral surveillance has evolved over time, in part responding to the increasing importance of global linkages and growing financial integration. In light of this fact, as well as the fact that previous evaluations have reviewed multilateral surveillance on a number of occasions, the focus of this evaluation will be placed on the period 2000–05 (following the

1999 external evaluation). In proposing recommendations, moreover, the evaluation will duly address the issues that have already been identified by previous evaluations. Where feasible, the evaluation will also seek to make suggestions on indicators with regard to the effectiveness of multilateral surveillance that could be monitored on a more periodic basis.¹³

V. SPECIFIC ISSUES FOR THE EVALUATION

23. In order to answer the overarching evaluation questions posed above, we must unbundle each of them into a set of specific issues for which evidence could be collected. Each issue can be written in the form of a question, and the answer to each of these questions constitutes the potential evidence upon which we will base our conclusions and recommendations. During the course of the evaluation, on the basis of feasibility considerations and inputs from various stakeholders, a subset of these issues will be selected for close scrutiny. We repeat below the overarching questions and list a set of associated subquestions. It should become obvious that some of these subquestions relate to the criticisms of the IMF's multilateral surveillance and other related concerns expressed by previous evaluations.

24. Is the IMF's internal structure for conducting multilateral surveillance well suited to delivering quality global assessments?

- How are multilateral surveillance activities organized across and within departments? What are the available resources and how are they allocated among defined tasks?
- How well is the expertise of functional departments utilized in the work of area departments? How well are inputs from various departments coordinated?
- What are the roles of staff, management, the Executive Board and the IMFC in the multilateral surveillance process?
- Are the available data adequate for meeting the institution's evolving surveillance needs? How well are the various data sets maintained by different departments shared across the institution?

¹³ In suggesting such indicators, it will be important to distinguish between indicators that are directly attributable to IMF activities and those that are not. It is often the case that *strategic* indicators that are relevant to policymakers (such as economic growth) cannot be attributed to the IMF, while *performance* indicators that are directly attributable to the IMF (such as frequency of interaction with senior officials) are of little strategic relevance to the policymakers. See Duignan and Bjorksten (2005).

25. Do these (multilateral surveillance) assessments cover the right issues?
- Does the IMF take advantage of its unique strengths and areas of expertise in reaching its assessments?
 - Is the analytical basis (e.g., forecasting techniques and simulation models) of multilateral surveillance adequate? Is the Fund's research effort and analytical tools sufficient to address the issues at hand?
 - Has the focus of multilateral surveillance kept pace with changes in the global economic and financial environments?
 - How well has the Fund identified key vulnerabilities and emerging policy issues affecting the world economy?
26. How well integrated are the IMF's bilateral country assessments with its assessments of global linkages and vulnerabilities?
- How have area departments respond to increasing global and regional linkages and growing financial market integration?
 - Do Article IV staff reports (as well as staff's other bilateral work) properly reflect global assessments and market perspectives offered in the work on multilateral surveillance?
 - How are WEO projections produced? Are WEO projections utilized in country work, including discussions with country authorities and preparation of Fund-supported programs? How well are the country and WEO data bases integrated with each other?
27. Do global (and regional) considerations suitably feed into the policy advice that is delivered to individual countries?
- Does multilateral surveillance yield sufficiently candid and pointed policy advice to individual countries?
 - Do discussions with country authorities include the global (and regional) spillover effects of their policies?
 - Do discussions with the authorities include the impact of global (and regional) developments on their policies, in the context of both Article IV consultations and program reviews?
28. Does IMF participation in relevant international and regional policy fora contribute meaningfully to the multilateral policy debate?

- How does the IMF participate in the work of international and regional policy fora?
 - Are these arrangements conducive to enhancing the impact of the IMF's multilateral surveillance?
 - Does the IMF provide sufficiently pointed analysis and policy recommendations?
 - Is the presentation of analysis made in such a way as to elicit response?
 - How do the outputs of these intergovernmental deliberations feed back into the IMF's surveillance and country work?
29. Does the Fund's communications strategy allow the delivery of useful messages and information to markets, as well as feed meaningfully into public debate on policy?
- Who is the audience of publicly disseminated multilateral surveillance outputs?
 - What are the objectives of these outputs? Are they being met?
 - Do the frequency and mode of communications contribute to meeting these objectives?
 - What role, if any, should the Fund play in informing the markets of global developments and cross-border vulnerabilities?
30. In addition, concerning the overall effectiveness and impact of multilateral surveillance, we may ask the following questions:
- How are the IMF's multilateral surveillance outputs (including WEO forecasts) used in member countries' decision making process?
 - How are the views of the IMF expressed through multilateral surveillance taken into account by policy makers?
 - How are the publicly disseminated outputs of the IMF viewed by the markets and the public at large? Are they contributing to enhancing the reputation and credibility of the Fund?

VI. THE METHODOLOGY AND TIMELINE OF THE EVALUATION

31. The evaluation will utilize a desk study of published and internal documents, questionnaire surveys of users of the IMF's multilateral surveillance, and interviews with staff and other relevant stakeholders. It will also include an analysis of the quantitative

frameworks used in multilateral surveillance activities, including forecasts and scenarios.¹⁴ The evaluation will first establish how multilateral surveillance is currently conducted before examining the content of the analyses in both published and internal documents related to various multilateral surveillance outputs.

32. As noted, the documents to be examined will be selected primarily from the 2000–05 period. We will examine such issues as the selection of topics and issues; the linkage between multilateral and bilateral surveillance (focusing on the multilateral surveillance side); the exposition and presentation of analyses; and how the same global developments are treated across various documents. In examining the linkage of multilateral and bilateral surveillance, we will pay particular attention to a sample of the staff reports for Article IV consultations issued between April 2004 and June 2005.¹⁵

33. In addition to staff, interviews will be sought with members of the Executive Board, senior policy makers especially in finance ministries and central banks, officials of regional and international organizations, and relevant representatives of the public, including key market participants. Our judgment on the impact of IMF multilateral surveillance will be largely based on interviews with current and former senior officials of member countries who participate or have participated in relevant intergovernmental fora. To supplement this judgment, questionnaire surveys will be sent to member country authorities and users of multilateral surveillance outputs.

34. In assessing the impact of multilateral surveillance, however, it is worth repeating that the evaluation cannot assess the ultimate effectiveness of the IMF's multilateral surveillance—i.e., effectiveness in the adoption of appropriate economic policies by member countries—because of the presence of multiple influences. Our judgment will therefore be necessarily limited. Even in areas where attribution to the IMF is possible, moreover, the conclusions from the evaluation must necessarily involve subjective judgments about the *quality* of outputs. We will try to be as transparent as possible by spelling out the criteria for our judgments. These criteria will need to be developed during the course of the evaluation, but may include (i) accuracy of analysis, (ii) relevance of issues to policymakers, (iii) candor and frankness of presentation, (iv) timeliness of outputs, and possibly other attributes of analysis and presentation that are likely to contribute to effectiveness and impact.

¹⁴ This analysis will utilize existing statistical studies on the IMF's forecasting record, including a recent RES-commissioned work by an external consultant.

¹⁵ The choice of this period comes from the fact that the 2004 Biennial Surveillance Review examined the staff reports for the Article IV consultations concluded between January 2003 and early March 2004.

35. It is expected that the evaluation will continue through the fall of 2005. The report will be drafted toward the end of the year and released to the public, following discussion by the IMF Executive Board, in early 2006.

Comments on this paper and inputs relating to the substance of the issues raised therein are welcome and should be submitted through the IEO's website (www.imf.org/ieo) or by email (ieo@imf.org).

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