



Independent Evaluation Office
of the International Monetary Fund



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

October 15, 2024

Overview. Since the 2024 Spring Meetings, the IEO finalized the evaluation on *The Evolving Application of the IMF's Mandate* and launched a new evaluation on *The IMF and Climate Change*. The IEO has continued its progress on the ongoing evaluations of *The IMF's Exceptional Access Policy* and the *IMF Advice on Fiscal Policy*. The IEO will develop an Evaluation Policy that addresses the recommendations of the Fourth External Evaluation of the IEO, which was concluded in July 2024.

IEO Work Program

- **Completed (June 2024): [The Evolving Application of the IMF's Mandate](#).** This evaluation was discussed by the Executive Board in June 2024. The evaluation found that the application and the expansion of the scope of the Fund's mandate were consistent with its legal framework. There was a consensus across the membership that both the traditional core policies, as well as the newer policy areas, were relevant and reflected important needs and priorities for the Fund's membership in the context of a rapidly changing world economic order, characterized by increased multipolarity and shocks. However, the systemic increase in the Fund's work in newer topics, has occurred in the context of limited resources and expertise. This has presented serious adaptation challenges, trade-offs, and overburdening of staff, characterized by a trilemma between the expansion of scope, resource constraints, and maintaining high-quality policy advice.
- **Launched: [The IMF and Climate Change](#).** The IEO has launched an early-stage evaluation to assess the Fund's approach to climate change, which is targeted for completion by end-2025. The issues paper was discussed with Executive Board members in September 2024. The evaluation will focus on the adaptations of multilateral and bilateral surveillance following the implementation of the 2021 Climate Strategy, the Fund's lending operations (particularly related to design of the RST and RSF programs), and the Fund's advancing work in climate capacity development. The evaluation will also assess the Fund's collaboration with partners across these key areas and the role of the Fund in the global climate financial and governance architecture.
- **In Progress: [The IMF's Exceptional Access Policy](#).** The evaluation is approaching completion and is slated for discussion by the Executive Board in December 2024. It examines the rationale and evolution of the policy since 2002, the application of the exceptional access criteria, and the variations in program design and implementation. The

evaluation assesses whether the policy has achieved its intended objectives, which include shaping members' and market expectations, providing clearer benchmarks for Board decisions on program design and exceptional access, safeguarding the Fund's resources, and helping to ensure uniformity of treatment of members. It draws on experiences from the 38 exceptional access programs completed through mid-2023, including those with Argentina (2018), Ecuador (2020), and Egypt (2020).

- **In Progress: [IMF Advice on Fiscal Policy](#).** Following the discussion of the issues paper with the Executive Board in May 2024, the evaluation has made steady progress and is anticipated to be completed in the latter half of 2025. This evaluation will assess the Fund's advice on fiscal policies, primarily examining surveillance cases, while also considering selected lending program cases to evaluate the consistency of messages and fiscal advice for countries with frequent program arrangements with the Fund. Key areas of inquiry will include fiscal advice for advanced economies, emerging markets, middle-income economies, and low-income countries; the alignment between corporate and multilateral surveillance messaging and country-level recommendations; and whether the Fund's advice on structural fiscal issues (such as fiscal institutions and rules) has been effectively integrated into its overall fiscal policy recommendations.

Other Issues

- **[Fourth External Evaluation of the IEO](#).** In July 2024, the Executive Board discussed the Fourth External Evaluation of the IEO for the period 2019–2023, conducted by Pablo García-Silva (chair), Daouda Sembene, and Zhongxia Jin. Executive Directors welcomed the assessment that the IEO has established a high degree of credibility and reputation for rigor, which has been essential in enhancing the Fund's learning culture, supporting its institutional governance and oversight, and bolstering its external credibility. The external evaluators' recommendations received broad support by the Board. The IEO is addressing the recommendations by reviewing its HR policy and developing an Evaluation Policy, which is set to be presented to the Board in 2025.
- **Management Implementation Plan (MIP) for *The Evolving Application of the IMF's Mandate*.** Following the Executive Board's discussion of the evaluation in June 2024, staff is working on the MIP to implement the recommendations endorsed by the Board. The MIP is expected to be discussed in late 2024 or early 2025.
- **[Seminar Series](#).** The IEO has held events on: Climate Science's Latest Findings, Adaptation Strategies, and Realistic Policy Responses (May); the main finding and recommendations of the evaluation on *The Evolving Application of the IMF's Mandate* (June); and Financial Stability: Insights on Imminent Risks, Predictable Crises, and What Policymakers Can Do (October).