

MASTER FILES
ROOM C-525

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November 28, 1995

Statement by the Managing Director on the
Development of the Evaluation Functions in the Fund
Executive Board Meeting
January 10, 1996

As indicated in my October 31 statement on the work program, I propose that the Executive Board give further consideration to the development of the Evaluation Functions in the Fund, in light of the following considerations.

In recent years, the extraordinary and sustained increase in the workload of the Fund has severely stretched our staff resources. The need for budgetary consolidation and prioritization of activities has confirmed me in my view, that my proposal of three years ago to create an Evaluations Office with a permanent staff, needed to be rethought as we all agree that resources should be redeployed and concentrated on the priority areas of surveillance and use of Fund resources. Our experience with the report of Sir Alan Whittome on Mexico suggests moreover that efficiency in evaluation can be reconciled with these concerns. It has demonstrated the merits of a pragmatic approach, under which evaluation is undertaken in response to specific needs. The Whittome report has also taught us, among other things, that selection of a highly qualified person for a specific evaluation task can yield an excellent result, at far less cost and much higher credibility, than a permanent evaluations staff. It has also the merit to offer to the Executive Board a vision of the issue that is totally immune from the distinctive culture of the institution. We are following a similar approach with three other evaluation exercises that are under way: one of Fund technical assistance in the monetary field; one of experience with Fund programs in several economies in transition; and one of the state of information technology in the Fund.

In addition, our continuing efforts to strengthen the internal procedures for review, including, for example, the review process within and between departments, the role of the Policy and Development Review Department in ensuring an even-handed approach by area departments in their relations with members, and the constant scrutiny of Fund policies by the Executive Board and the Interim Committee, are serving the institution properly. Indeed the Executive Board itself, in its reviews of Fund policies and discussions of country papers, regularly evaluates the work of the institution. The traditions of the Fund include a healthy practice of constructive criticism, and we should ensure that any steps to extend the evaluation function in the Fund do not diminish this aspect of our working practices.

With these thoughts in mind, I would suggest for your consideration the following possible guidelines, with which we can move forward to develop the evaluation functions in the Fund:

1. Annually--but also on an ad hoc basis as circumstances may require--the Managing Director and the Executive Board would identify which activities might warrant an evaluation study, and would set the terms of reference for each project. The person in charge of each evaluation project would be selected by the Managing Director in consultation with the Executive Board. We all agree that evaluations should be independent. I submit that we should in each case, and with all the objectivity and detachment that the matter requires, select the best person or persons available from outside the organization to do the evaluation. The persons responsible for conducting evaluations should have access to all relevant documentation.

2. Evaluation reports would be submitted direct to the Managing Director and the Executive Board, together with any comments the staff would wish to offer. The Executive Board would consider the matter and draw its conclusions, which would be communicated to the Managing Director as head of the staff.

3. Operational experience with these guidelines on the evaluation functions in the Fund would be reviewed by the Executive Board after a sufficient number of projects had been undertaken, say in two or three years.

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With these general guidelines, I think we can make progress toward improving and intensifying the evaluation functions as they are presently carried out in the Fund. I would suggest that the Board reflect on the issues that should be evaluated in the course of next year with due attention to prioritization and economy of resource implications. By the time of the Spring 1996 work program we should proceed to determine the projects that will be undertaken, it being understood that circumstances may occasionally suggest an additional project in the course of the year.