

EB/EVC/03/3

April 29, 2003

To: Members of the Evaluation Committee (Mr. Callaghan, Chairman;
Ms. Jacklin, Mr. Kremers, Mr. Ondo Mañe, Mr. Padoan, Mr. Shaalan,
and Mr. Zurbrügg)

From: Michael DaCosta, Committee Secretary

Subject: **Meeting of the Evaluation Committee**

There will be a meeting of the Evaluation Committee on **Tuesday, May 6, 2003 at 4:00 p.m.** in the Board Committee Room (12-120B). The meeting will consider the attached note from the Chairman of the Committee, Mr. Callaghan, on procedural aspects relating to evaluation reports of the Independent Evaluation Office (IEO), including the recently completed report on The Role of the IMF in Recent Capital Account Crises. The role of the Committee in the overall evaluation function in the Fund, and possible future topics for evaluation will also be discussed.

Questions on the note may be addressed to Mr. Callaghan (ext. 38874), or to Mr. DaCosta (ext. 38502).

Att: (1)

Other Distribution:
Members of the Executive Board
Department Heads

**Note for Discussion
Meeting of the Evaluation Committee
May 6, 2003**

The second report of the IEO on the Role of the IMF in Recent Capital Account Crises has been forwarded to management for comments. Copies of the report have been provided to Executive Directors.

In line with the standard rules for review and publication of IEO documents, the report that has been provided to Executive Directors will not be changed before it is finally circulated as a Board document, except for factual corrections. It is expected that the report will be formally circulated as a Board document around May 8, 2003, with a meeting of the Executive Board to discuss the report around end-May. Any written comments submitted by management, together with IEO's response, will be forwarded to Directors prior to the Board discussion.

Following discussions with members of the Evaluation Committee, it has been decided that there would be value in having a meeting of the Committee prior to the Board discussion of the next IEO report. Committee members agreed that the substantive discussion of the content of the IEO evaluation should take place in the Board and not the Committee. However, the Evaluation Committee could usefully discuss the procedures for the handling of IEO reports, particularly against the background of the procedures for the handling of the first report of the IEO on the prolonged use of Fund resources. Some of the specific issues the Committee may wish to address at its next meeting include:

- Should the report be made public (i.e. be made available on the IEO's website) at the same time as it is formally circulated to Directors to enable the public to comment prior to the Board discussion? The current rules call for the Executive Board to make final decisions on the publication of IEO reports. They also indicate that summaries of evaluation reports may be prepared and published by the IEO to increase the dissemination of the main messages and conclusions.
- If the report is not made publicly available prior to the Board discussion, should there be some mechanism by which the public can comment prior to Fund actions on the basis of the report?
- What are Committee members' views on the appropriate follow-up on IEO reports?

As discussed in previous meetings, the Terms of Reference of the Committee call on it to follow the evaluation function in the Fund generally, and not just the activities of the IEO. It should be remembered that the Terms of Reference of the IEO include the following:

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

The first step taken by the Committee in fulfilling this wider function was to present an initial stock take of the various evaluation activities across the Fund. Committee members' comments on this work would be helpful in deciding on the next steps.

It was also discussed at previous meetings that the Committee may wish to consider whether there are additional topics for external evaluation.

- For example, at the 2002 Executive Board retreat, the Dean proposed that an external evaluation be undertaken on political economy considerations of the Fund's operations.
- When possible topics for the IEO were discussed last year, one Director proposed an evaluation of the procedures, the efficiency, effectiveness and accountability of the Executive Board. More recently, there was a suggestion of a possible review of the staffing structures of Executive Directors' offices.
- Mr Mirakhor suggested in the discussion of the FY 2004 budget that the Evaluation Committee could consider initiating an external evaluation of the resident representative program. He has also suggested that another candidate for external evaluation should be the organizational structure, processes, and procedures of the Fund.

These are but a few examples of possible topics for an evaluation which have been suggested in the past. At the next meeting of the Committee, Directors may wish to discuss whether there are any areas where they believe an external evaluation should be launched directly by the Executive Board. In selecting topics for evaluation, it will be important that the Committee's proposals be coordinated closely with management's initiatives. For example, management has recently established a Task Force that will review the resident representative program.