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First Periodic Monitoring Report on the Status of Board-Endorsed Recommendations of the Independent Evaluation Office

On January, 11, 2008, the Executive Board of the International Monetary Fund (IMF) discussed the first [Periodic Monitoring Report](#) (PMR) on the status of board-endorsed recommendations of the Independent Evaluation Office (IEO) and Management Implementation Plans (MIPs).

Background

Following the discussion of the report of the External Evaluation of the IEO in April 2006, new procedures were approved by the Executive Board in January 2007 to monitor IEO recommendations. These new procedures required that management present to the Board a periodic monitoring report on the state of implementation of actions contained in the forward-looking implementation plans already in force. The report would indicate difficulties in implementing the original plan and propose remedial or substitute actions whenever appropriate.

Since this was the first PMR, it would confine itself to reviewing the implementation of all board-endorsed IEO recommendations made to date (except for the last three evaluations), and provide a list of those recommendations that remained outstanding, together with remedial measures. Since only a short period has elapsed since the three most recent evaluations, namely, [IMF and Aid to Sub-Saharan Africa](#), [IMF Exchange Policy Advice: 1999-2005](#), and [Evaluation of Structural Conditionality in IMF-Supported Programs](#), progress on the implementation of the Board-endorsed recommendations contained in these evaluations would be reported in the next periodic monitoring report.

Executive Board Assessment

Executive Directors welcomed the first PMR by Fund staff on the status of Board-approved IEO recommendations, which systematically documents how these have been followed up and assesses how they have been incorporated into IMF work practices. Directors stressed that such a strengthened monitoring of implementation is important to maintain an effective

institutional accountability framework as well as a strong learning culture. Directors recognized that an evaluation of the effectiveness of recommendations will be undertaken through other channels.

Progress to date on implementation

In discussing the staff report's findings on follow up, Directors acknowledged the difficulty of summarizing the status of implementation of the IEO recommendations, in light of their sheer number (over 70), the time elapsed since many recommendations were adopted, and the existence of other factors that have influenced the development of the Fund's agenda. Nonetheless, Directors agreed that IEO recommendations have had a substantial impact on how the Fund operates, and welcomed that the lessons have generally been absorbed and the recommendations substantially implemented. In instances in which further progress is needed, Directors generally considered that assessments should take place in the context of more in-depth topic-specific reviews.

Future improvements in monitoring

Executive Directors offered several recommendations with regard to future improvements in monitoring.

More specific deliverables

Directors supported the staff report's call for well-defined and measurable criteria to gauge better the progress in implementing IEO recommendations, while recognizing that not all recommendations may lend themselves readily to quantification and monitoring. They considered that monitoring would benefit from greater specificity and clarity of the follow-up actions required—including in their formulation in Board discussions, their recording in Board summings up, and their articulation by management in MIPs. Some Directors observed that implementation and follow-up would also be facilitated by greater clarity in the initial formulation by the IEO of its recommendations, although Directors acknowledged that this is an issue for the IEO to decide. Directors viewed the key performance indicators contained in MIPs of the most recent IEO evaluations as a positive first step to enhancing monitoring.

Timing of monitoring

Directors agreed that the more recently formulated MIPs should be taken up in a PMR only after sufficient time has elapsed—say, six months—following Board feedback to the MIP.

Future PMRs

Directors reiterated the responsibility of management and staff for the preparation of future monitoring reports, with periodic Board review. They reaffirmed that policy development, review, and implementation, including of Board-endorsed IEO recommendations, remain the responsibility of the Executive Board and management. At the same time, Directors supported

referring future PMRs to the Evaluation Committee for initial consideration and review, and reporting to the full Board. This would make better use of Board Committees and more efficient use of the Executive Board's time, without derogating from any of the Executive Board's responsibilities.

Directors generally considered that PMRs would continue to be useful, although some questioned the value added of future reports in their present form. While recognizing the need to minimize monitoring costs, some Directors cautioned against any reduction in the quality of monitoring. Most Directors saw scope for making future reports more concise. Directors focused on possible improvements in the modalities for the preparation of the PMR, with some Directors suggesting that the Board discussion and the publication of the PMR should precede the IEO Annual Report, thus providing the IEO the option to include or refer to the staff's monitoring assessments in its report, with clear acknowledgment of any such staff work. This option can be kept in mind for our future considerations of the modalities of the PMR.

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