

SM/08/318  
Supplement 1

November 12, 2008

To: Members of the Executive Board

From: The Secretary

Subject: **Periodic Monitoring Report on the Status of Implementation Plans in Response to Board-Endorsed IEO Recommendations—Draft Public Information Notice**

Attached for consideration by the Executive Directors is the draft background section of the public information notice (PIN) relating to the report on periodic monitoring on the status of implementation plans in response to Board-endorsed IEO recommendations (SM/08/318, 10/7/08), which is tentatively scheduled for discussion by the Evaluation Committee on **Tuesday, November 18, 2008**. The staff proposes the publication of the paper, together with the PIN.

Questions may be referred to Ms. Ramakrishnan, SPR (ext. 35413).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

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INTERNATIONAL MONETARY FUND

*Public Information Notice*

EXTERNAL  
RELATIONS  
DEPARTMENT

Public Information Notice (PIN) No.  
FOR IMMEDIATE RELEASE  
November XX, 2008

International Monetary Fund  
700 19<sup>th</sup> Street, NW  
Washington, D. C. 20431 USA

## **IMF Concludes Discussion of the Periodic Monitoring Report on the Status of Implementation Plans in Response to Board-Endorsed IEO Recommendations**

### **Background**

The Executive Board instituted the periodic monitoring report (PMR) in January 2007 to report on the implementation status of Board-endorsed IEO recommendations. The idea behind instituting the PMR was to ensure that Board-endorsed IEO recommendations were followed-up and their implementation monitored in a more systematic manner. The Board discussed the first such report in January 2008, at which time Directors welcomed the report's systematic documentation of follow-up measures to the IEO recommendations and stressed that a strengthened monitoring of implementation is important to maintain an effective institutional accountability framework as well as a strong learning culture.

This report updates the implementation status of Board-endorsed IEO recommendations since the completion of the first PMR in January 2008. In particular, it examines the implementation status for the two management implementation plans (MIPs) pertaining to the Board-endorsed IEO recommendations on *IMF and Aid to Sub-Saharan Africa* and *IMF Exchange Rate Policy Advice: 1999-2005*. It also reports on progress in implementing the outstanding recommendations from the first PMR. Although the requisite time has not elapsed since the May 2008 Board discussion of the MIP for the Board-endorsed recommendations in the IEO's evaluation of *Structural Conditionality in IMF-supported Programs*, this PMR touches on aspects that have been implemented.

Seen in light of the Fund's overall strategic directions, the broad conclusion from this PMR is that IEO recommendations have a significant impact on Fund operations. Examples of progress include exchange rate analyses in Fund surveillance, a new 2007 Bilateral Surveillance Decision that replaces the previous 30-year old decision, clarification in Fund policies on aid inflows, better communications strategy, and revisions to the Operational Guidance Note on Conditionality. A number of aspects of the various implementation plans are still being executed and are integral to the broader ongoing Fund work program.

Indeed, the various work streams developed in the implementation plans are by no means the end of the road. The Managing Director's Strategic Directions paper sets out medium-term priorities for the Fund. It envisages an institution more alert to emerging issues related to global and bilateral surveillance with deeper analysis of macro-financial linkages, exchange rates, as well as furthering a more global perspective on bilateral surveillance, more low-income country work, capacity building, and a more modern Fund. Thus, many of the issues raised in the IEO evaluations continue to be discussed and policies reformed to best fulfill the Fund's mandate and serve its members.

### **Executive Board Assessment**

The Executive Board supported the conclusions in Paragraph 17 of the Periodic Monitoring Report, and approved the performance benchmarks to be reviewed in the next PMR set out in Table 5 of the report.

**Public Information Notices (PINs)** form part of the IMF's efforts to promote transparency of the IMF's views and analysis of economic developments and policies. With the consent of the country (or countries) concerned, PINs are issued after Executive Board discussions of Article IV consultations with member countries, of its surveillance of developments at the regional level, of post-program monitoring, and of ex post assessments of member countries with longer-term program engagements. PINs are also issued after Executive Board discussions of general policy matters, unless otherwise decided by the Executive Board in a particular case.